

Purchasing Week

M c G R A W - H I L L ' S N A T I O N A L N E W S P A P E R O F P U R C H A S I N G

Price Perspective	2
Washington Perspective	4
Foreign Perspective	8
Purchasing Week Asks You.....	11
Meetings	15
New Products	16
Profitable Reading for P.A.'s....	19

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\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

How Purchasing Men Can Keep Their Health



WAGGING FINGER to stress a point, Dr. Harry J. Johnson, director of Life Extension Examiners, gives P.W. editor advice on health.

Dr. Johnson Answers Questions of P.A.'s

Good health of purchasing department personnel is always a problem for purchasing agents. But keeping in good health is not too difficult if one follows the advice of Dr. Harry J. Johnson.

In an interview with PURCHASING WEEK, the director of Life Extension Examiners, gives the results of his experiences advising businessmen for 25 years.

In a presentation, starting on p. 12, the doctor answers such questions as these:

- What kind of exercise should the purchasing man get?
- Is hand mowing better exercise than following a power mower?
- Does the coffee break have value?
- On luncheon drinks what is your advice?



BILL McCULLOCH, Pacific Northwest bowler and A.B.C. director, is subject of the weekly feature, "A P.W. Profile," on page 7.

Congress Acts; Business Gets Tax Relief Aid

Washington—Tax laws are getting their biggest overhaul since 1954 in the package of changes Congress sent to Eisenhower last week. All told, there's an estimated tax saving of some \$300 million from new rules on amortization, elimination of inequities, and a big list of selective excise tax cuts.

The legislation covers three broad areas:

• Amortization: New tax deductions are allowed from quicker depreciation writeoffs on limited amounts of new machinery and equipment. It is a benefit to all businesses, not just "small business."

• Revisions: The whole revenue code was picked over to ease many tax burdens, plug a number of loopholes, and strengthen other statutes. Revisions include a tightening of laws (Continued on page 23)

Farm Bill Offers Aid to Industries

Washington—The textile industry, meat packers, and many other food processors will benefit next year from the new farm bill just passed by Congress.

U. S. politicians for 25 years have passed laws for the farmer designed to keep prices high by holding down production. But last week Congress sent to the White House a law calling for lower price supports, and more production. President Eisenhower was certain to sign it.

Production of three basic crops, cotton, corn and rice, will be larger, with cotton and corn particularly headed for much greater output. Prices for these crops will be lower.

The congressional decision was (Continued on page 22)

West Trade Controls Ease Reds' Embargo

Washington—The West's revision of controls on trade with Communist nations has resulted in easing of embargoes, quotas, and "surveillance" on East-bound shipments of a broad range of products.

The Coordinating Committee (Continued on page 22)

Purchasing Perspective AUG. 25-31

When PURCHASING WEEK queried hundreds of purchasing executives last spring on their immediate buying plans, the replies indicated a definite upturn in industrial activity within 60-to-90 days (P.W. May 12, p. 1). Official government indexes and other economic indicators have been confirming this remarkably accurate forecast for the past several weeks.

The Federal Reserve Board, for example, last week noted widespread increases in the output of durable goods in reporting the third straight monthly increase in its industrial production index. The steady upward movement of business also was emphasized by revised second quarter Gross National Product data which showed even more improvement than preliminary figures indicated. Government economists are predicting a steady rise in GNP throughout the rest of the year. They hitch fond expectations for a fourth quarter return to 1957's record GNP to an anticipated complete turnaround to full inventory buildup.

But the renewed industrial vigor so far has skipped certain vital capital goods areas of the economy. Woeful wails still emanate from the Cleveland-Detroit machine tool centers. New orders for cutting type tools dropped again in July. And if there are any encouraging signs for the industry in sight, few tool builders seemed ready to admit it. There is little program buying with current volume made up of small individual orders.

It's a pity because the replacement argument makes a lot of sense. Says one major toolmaker in Cleveland: We're trying to talk customers into buying machinery to improve productivity.

(Continued on page 22)

P.A.'s: Watch Auto Industry Trend

Detroit—All business eyes have been turning toward the auto industry as signs of an economic recovery become more and more visible. For despite the wide diversity of the American economy, you can't underestimate the effect that the auto industry has on the nation's business picture.

The fate of autodom, then, is one which concerns purchasing executives very directly in two ways:

- First of all, the purchasing

pattern of the auto industry sets the tone for both demand and price for many of the items which you buy from day to day. Auto and truck manufacturers represent a major market for a host of industrial commodities such as steel, glass, copper, lead, cotton, and nickel. And numerous finished goods such as tires, batteries, and radios are heavily dependent upon Detroit for the bulk of their sales.

- Second, automobile produc-

(Continued on page 3)

Georgia to Make Paint; Buying Controversy Ends

Atlanta—Georgia has thrown in the towel in efforts to buy paint from conventional sources by conventional methods.

Gov. Marvin Griffin announced last week that the state will manufacture its own highway centerline paint, using prison labor at the state penitentiary.

Harassed for months by criticism of questionable state purchasing policies, Georgia Purchasing Agent Lawton Shaw (Continued on page 22)

Hoffa Power Heckles Many

Washington—The question of what to do and/or how to live with James R. Hoffa and his tough Teamsters Union keeps heckling many people—in industry, government, and labor itself. Latest developments serving to illustrate Hoffa and his International Brotherhood of Teamsters as the country's No. 1 continuing labor problem include:

- While concentrated in 11 western states, the West Coast strike-lockout spread some of its crippling effects eastward last week in delayed shipments and (Continued on page 21)

Trucker, Railroad File 'Through Rate' Service

San Francisco—Consolidated Freightways, Inc., and Chicago, Rock Island & Pacific Railroad Co. have filed joint truck-rail tariffs for a new type of "through rate" service in the Midwest.

The service involves movement of freight in trailers either on the highway or on railroad flat cars, (Continued on page 22)

District 5 Plans College Courses

Washington—The N.A.P.A.'s 5th District is making plans to:

- Help local colleges set up academic courses in purchasing.
- Engage professional public relations and educational experts to address local N.A.P.A. associations.

These projects topped the agenda of the 5th District's third annual education and public relations workshop conducted here Aug. 16.

Thirty-two district officers participated. Among them were program, public relations, and educational chairmen from the district's local associations in the District of Columbia, Virginia, North Carolina, Baltimore, Phila-

(Continued on page 22)

Salesmen 'Pound Books' at Rutgers To Learn About Purchasing Men

New Brunswick, N. J.—Sales and marketing heads of many of the nation's leading corporations have been "pounding the books" at Rutgers University to learn more about the purchasing men.

Almost 300 of them are majoring in this subject at the annual graduate school of sales management and marketing which opened here Aug. 12, and runs through Aug. 28. It is sponsored by the National Sales Executives, Inc. in cooperation with Rutgers.

As one back-to-school sales executive explained: "The sales manager has a responsibility to both management and his sales force to understand thoroughly the purchasing agent, his needs,

desires, and motivations, as a means of increasing sales now and in the future."

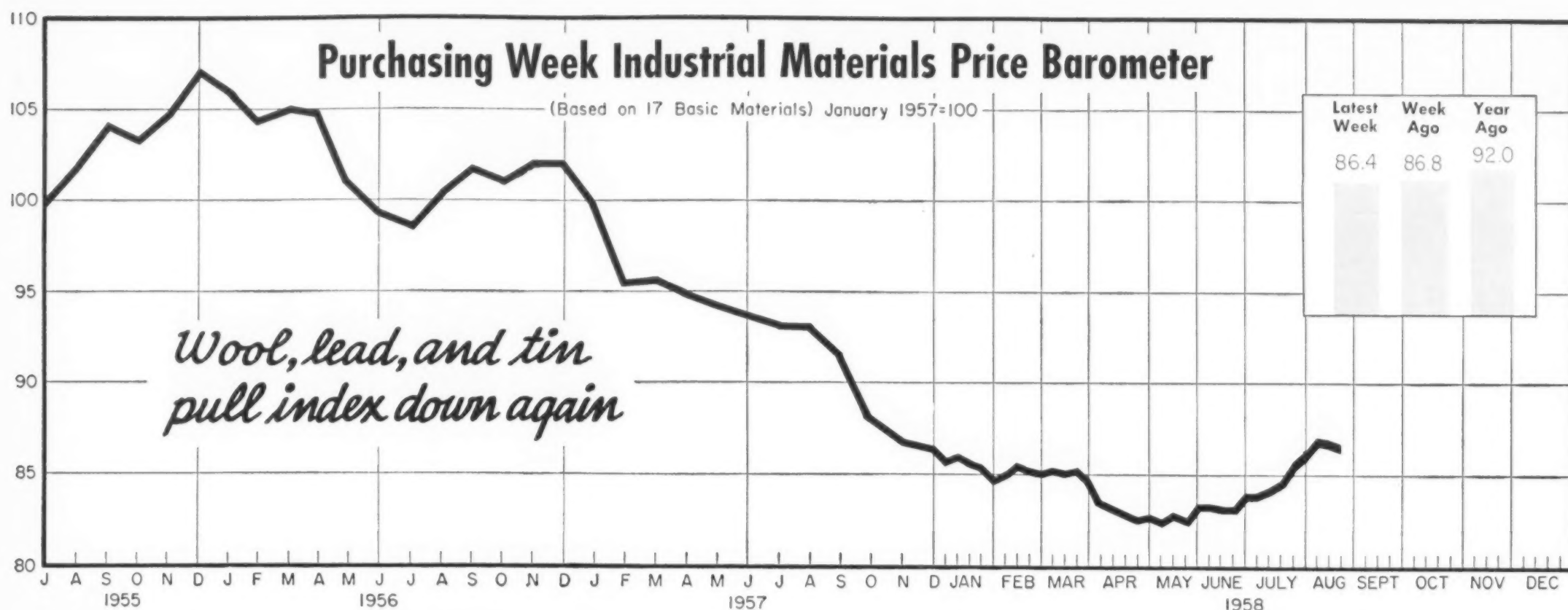
The accelerated and concentrated (Continued on page 22)

Traffic Tickets Wanted

Rochester, N. Y. — City P.A. Kenneth E. Punnett has changed his buying policy on a "costly" item.

For the first time, Punnett is seeking bids for the printing of 150,000 traffic violation tickets—in triplicate.

He expects to effect a savings in printing, but not in their end use.



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

AUG. 25-31

Big federal deficit looming on the horizon is again raising the bogey of galloping inflation.

With outlays expected to top receipts by from \$8-\$12 billion (see page 4), the big problem is whether or not we can hold the price line.

Is this fear of inflation warranted? There's really no simple answer.

To get an insight into this complex question it is necessary to understand the basic mechanics of deficit financing.

• • •

To finance the deficit, you usually have to increase the total supply of money in circulation. And the more money there is around, the more likely that prices of goods will increase. Here's how the process works:

- To get additional money the government usually sells bonds to banks. The banks pay for it by transferring some of their cash reserves to the treasury's account. Thus the Treasury takes over what were formerly idle bank reserves.

- Then when the Treasury has to pay for defense, or other expenditures, it writes a check on one of its accounts; the check is cashed by the defense contractor, or other receiver, and becomes money in circulation.

- This increase in money supply, in turn, creates a greater "potential" for inflation. How great a potential, of course, depends on how much money is chasing the available supply of goods.

The big job of our money managers is to keep this "potential" inflation in check.

To do this they have several safeguards. One is composed of a group of built-in protections, the various powers of the Federal Reserve system to govern the use of bank credit.

In past years F.R.B. authorities have used these to hold down inflation.

Recent rise in rediscount rate is an example of its use. By increasing commercial banks' cost of borrowing it tends to raise interest rates, discourage business borrowing. A smaller number of business loans means less money in circulation, less chance of inflation.

• • •

Another bulwark against the onslaught of inflation is our large reserve of unused manufacturing plant.

American industry is now operating at less than 75% of capacity.

Thus much of the additional demand pumped into the economy by deficit financing can be satisfied from the unused portion of our factories.

Moreover, the ample state of industrial capacity means that corporations will be slow in starting the kind of massive expansion programs that lead to pressure on costs of construction and capital goods.

• • •

Are these safeguards foolproof?

Not by a long shot. Over a long period of time potential inflation nearly always turns into a real inflation.

Safeguards can only hold back inflation, not dissipate it.

Once for example, our economy is on a full capacity basis, deficits will become extremely dangerous as the money supply is expanded.

When deficits go beyond this full capacity point there is always the danger of what the economists like to call "classical" inflation: too much money chasing too few goods.

This Week's Commodity Prices

	Aug. 20	Aug. 13	Year Ago	% Yrly Chg.
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, #2 foundry, Nev. Is., Pa., gross ton	66.00	66.00	67.00	-1.5
Steel, billets, Pitts. net ton	80.00	80.00	77.50	+3.2
Steel, structural shapes, Pitts., cwt	5.50	5.275	5.275	+4.3
Steel, structural shapes, Los Angeles, cwt	5.975	5.975	5.975	0
Steel, bars, del., Phila., cwt	5.975	5.975	5.715	+4.6
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+4.6
Steel, plates, Chicago, cwt	5.30	5.10	5.10	+3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	42.50	44.50	55.50	-23.4
Steel scrap, #1 heavy, del. Cleve., gross ton	40.00	40.00	52.50	-23.8
Steel scrap, #1 heavy, del. Chicago, gross ton	43.50	43.50	54.00	-19.5
Aluminum, pig, lb	.247	.247	.26	-5.0
Secondary aluminum, #380 lb	.218	.218	.231	-5.6
Copper, electrolytic, wire bars, refinery, lb	.253	.252	.279	-9.3
Copper scrap, #2, smelters price, lb	.213	.213	.218	-2.3
Lead, common, N.Y., lb	.108	.11	.14	-22.9
Nickel, electrolytic, producers, lb	74.00	74.00	74.00	0
Nickel, electrolytic, dealers, lb	.71	.74	1.05	-29.5
Tin, Straits, N.Y., lb	.945	.948	.941	+.4
Zinc, Prime West, East St. Louis, lb	.10	.10	.10	0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.25	2.25	2.55	-11.8
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.57	2.57	2.95	-12.9
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.50	2.50	2.85	-12.3
LP-Gas, Propane, Okla. tank cars, gal	.05	.04	.035	+42.9
Gasoline, 91 oct. reg. Chicago, tank car, gal	.125	.125	.13	-3.9
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.12	.12	.136	-11.8
Coal, bituminous, slack, ton	5.75	5.75	6.05	-5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	82.50	82.50	82.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.151	.149	.13	+16.2
Glycerine, synthetic, tanks, lb	.278	.278	.28	-.7
Linseed oil, raw, in drums, carlots, lb	.173	.173	.168	+3.0
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	-7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.70	9.70	9.15	+6.0
Shellac, T.N., N.Y. lb	.31	.31	.34	-8.3
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, unedible, fancy, tank cars, N.Y. lb	.084	.084	.084	0
Titanium dioxide, anatase, reg. carlots lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.70	+1.8
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.25	-2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.30	+1.6
Old corrugated boxes, dealers, Chicago, ton	21.00	21.00	19.00	+10.5
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.26	4.26	4.38	-2.7
Glass, window, single B, 40" Bracket, box	7.00	7.00	7.09	-1.3
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	125.00	120.00	116.00	+7.8
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	129.00	126.00	118.00	+9.3
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.65	10.80	10.65	0
Cotton, 1" Middling, N. Y., lb.	.364	.364	.35	+4.0
Printcloth, 39", 80x80, N.Y., spot, yd	.177	.177	.179	-1.1
Rayon, satin, acetate, N.Y., yd	.268	.268	.30	-10.7
Wool tops, N.Y. lb	1.56	1.58	1.95	-20.0
HIDES AND RUBBER				
Hides, cow, light native, packers, lb	.15	.15	.15	0
Rubber, #1 std ribbed smoked sheets, lb	.289	.291	.324	-10.8

P.A.'s: Watch Auto Industry Trend; Output Affects Business Level

Acceptance in '59 to Create Future Picture; Light Models Ready for Foreign Competition

(Continued from page 1)
tion has a great effect on the nation's general level of business activity. The transportation industry provides the operating basis for one in every six businesses in the country. More than 10 million people are employed through this network of enterprises.

For the near-term anyway, P.A.'s need not look for any great news from Detroit. Since 1958 has been a bad year, observers here are waiting for the introduction of the '59's to get a picture of what next year holds.

Chart Shows Production

The P.W. two-year auto production cycle chart at right shows just what is happening this year. Output so far in 1958 is running 24% behind last year. And the expected total of some 4.6 million cars for the year will represent Detroit's worst production year since 1952. But next year should see the two-year cycle start back upward. And production in 1959 should pass the 5.5 million mark.

Truck output this year has also been in the doldrums. Production is down some 24% from 1957, with the light truck area receiving increased competition from station wagons and foreign vehicles.

Will Meet Competition

On the auto import side, manufacturers here seem to be on the verge of going ahead with production of a small light American car to counteract the rising trend of foreign sales. For the imports have continued to boom in sales despite the slowdown in demand for domestic makes.

This year will see the imports come close to doubling their 1957 sales total, a feat which they accomplished in both of the past two years. Their retail total for 1958 should be about 390,000, and that's close to the 500,000 mark at which the American manufacturers said they would start production of their own "European" type cars.

Next year, sales of foreign cars are likely to rise again, but at a greatly decreased rate. Sales in the U. S. should near the 500,000 mark.

Trucking Newer Problem

For truckers, foreign competition is a somewhat newer but no less disturbing phenomenon. Volkswagen's light models have already passed some top name U. S. producers in sales in its weight class. So far this year it ranks no. 4 in the lightweight truck category behind Chevrolet, Ford, and International Harvester. For light weight, short haul operations, these trucks have caught on with many fleet operators who claim substantial maintenance and operating savings from their use.

Observers of steel are also watching Detroit for developments of a different nature. That's the trend toward increased use of aluminum in cars and trucks at the expense of steel.

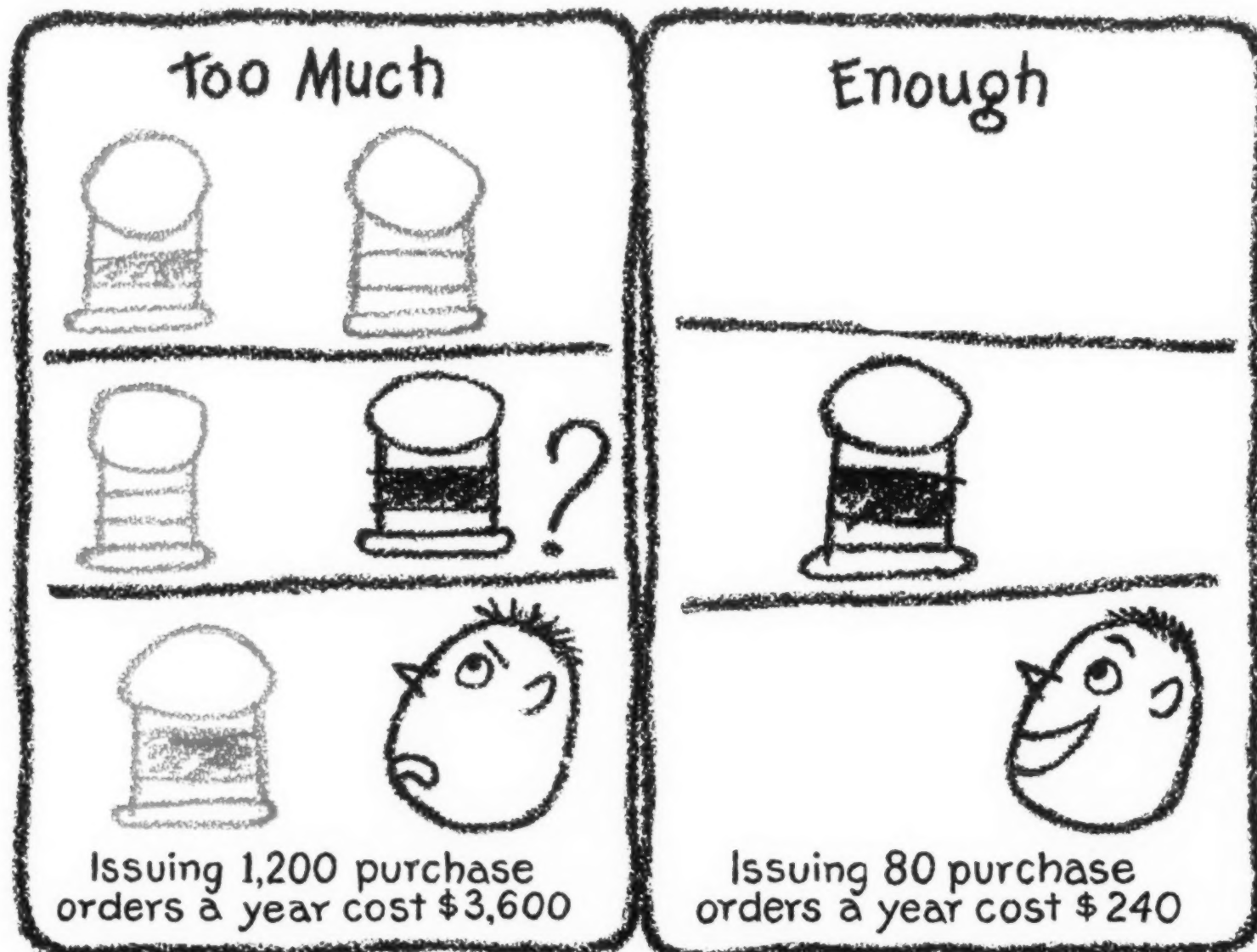
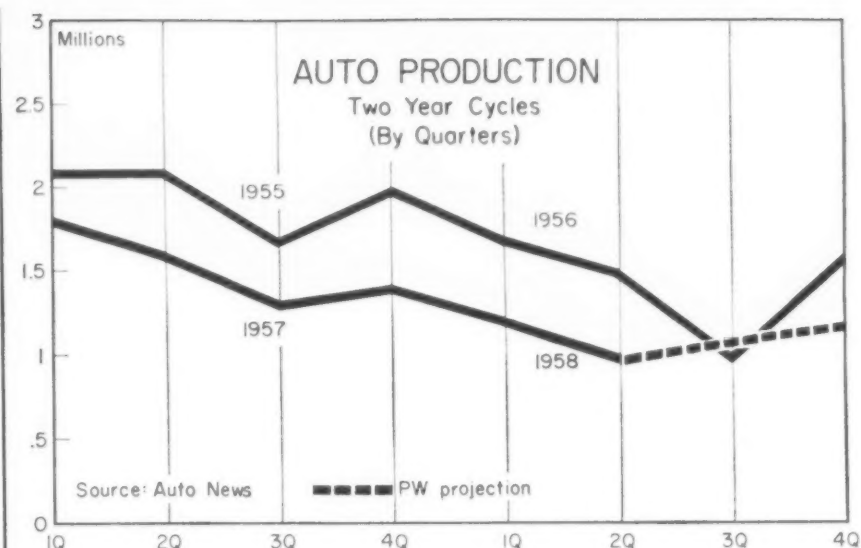
Next year's models will average 57.1 lbs. of aluminum, compared to 50 lbs. in the '58's and 46.3 lbs. in the '57's.

And upped use of aluminum on the nation's motor vehicles is not likely to be limited to trim and other incidental parts. Major internal components, such as the all-aluminum engine, may

not be as far away as some people think.

Automakers are interested in the all-aluminum engine primarily because of a 30% weight reduction. And for every pound of engine weight saved, total car weight can be cut three to four pounds. That means greater fuel economy, better acceleration, and more effective braking.

The long-run effects of such developments could be quite significant. For autodom normally takes close to 25% of the total output of steel produced in the country, and any significant demand change from a user of these proportions can't help but greatly effect the steel market.



Overstocking of lubricant types is a common problem in industry — results in a too-abundant inventory.

In many cases, surveys can narrow inventory down to several basic types which perform the bulk of lubrication.

Lubricant survey cuts cost of purchasing—in this case, 93%

Inherent waste and duplication is common when lubricants are overstocked. But this is only part of the loss you suffer. A too-abundant inventory can also result in very steep costs in your Purchasing Department. This example actually happened:

One manufacturer estimates that it costs him \$3 to initiate a purchase order. Investigation showed that it took some 1,200 such orders a year to maintain his inventory of 100 different lubricants—or \$3,600 in ordering costs. He instituted a survey. As a result the number of different lubricants stocked was dropped to 20. Quarterly pur-

chasing intervals were also recommended. Purchasing cost then sank to a mere \$240 per year—an annual saving of \$3,360.

No wonder industry is feeling a rising need for management planning of lubrication programs. Greasing a machine is a mechanic's job — but cost control isn't. That's why the services of a plant lubrication engineer are paying off in larger plants; and even smaller plants are delegating lubrication responsibility to someone on the management team.

Whichever solution you choose, Texaco's organization of Lubrication

Engineers can offer specific assistance in all 48 States. A more detailed analysis is available in an enlightening booklet: "Management Practices That Control Costs Via Organized Lubrication." Write The Texas Company, Dept. W41, 135 East 42nd Street, New York 17, New York.



LUBRICATION IS A MAJOR FACTOR IN COST CONTROL

(PARTS, INVENTORY, PRODUCTION, DOWNTIME, MAINTENANCE)

Washington Perspective

AUG. 25-31

Members of the 85th Congress, thanks to a burst of speed in the home stretch, have a raft of business legislation to their credit as they go forth to ask the voters for re-election.

Action in the taxation field ranks high in the congressional bag of accomplishment. (See page 1). The corporate income tax and excise levies are extended at the same rate for another year. But the lawmakers labored long and hard to close unintended tax loopholes and hardships, and to clarify the 1954 Revenue Code as it relates to excise taxes.

The Democratic-run Congress also legislated on a broad front of other subjects of interest to businessmen:

Small Business. It's been a truism in Washington that everybody talks about helping the small businessman, but nobody does anything about it. However, complaints finally brought results in this election year as Congress passed laws to:

- Grant small business some \$260 million in tax relief, in the form of fast writeoffs, and a better break on retained earnings, estate taxes and loss carrybacks.

- Make the Small Business Administration a permanent agency.
- Create a capital bank under S.B.A. to provide long-term loans to small business through new investment companies.

Anti-Recession. The desire to prop up worker purchasing power in the face of rising unemployment led to enactment of an Administration measure to extend jobless benefits for up to 15 weeks.

The Democrats pushed through several other measures to infuse new life into the economy, despite Administration reluctance. These included:

- An emergency housing law which pumps \$1.5 billion into the home mortgage market, and reduces down payments of F.H.A.-financed homes.

- A measure to boost highway construction almost \$2 billion, of which \$400 million must be spent by next Dec. 1.

Aid to Railroads. Washington has long been worried about the increasing plight of the railroads. This year Congress voted the rails more freedom in rate-making, leeway to abandon service on losing lines, and a \$500 million government-guaranteed loan program.

In addition, as part of the bill extending excise taxes, the 3% tax on freight shipments by whatever mode of transportation was repealed at the urging of shippers, truckers and the railroads.

The Defense Production Act, which continues authority for priorities and stand-by controls on materials, is kept on the books for use if needed.

The Reciprocal Trade Program is extended for four years, with the President empowered to cut tariffs 20% below present levels. However, any cuts are unlikely for years.

Crop Price Supports for cotton, corn and rice will be reduced to 65%, while the way is clear for increased production of all three. This is a step toward removing farmers from crop controls and high price supports.

Higher Postal Rates are expected to increase revenues by \$547 million per year.

Several major legislative proposals failed to make it through the legislative mill. In most cases, they'll be back for consideration next year. These include:

The Kennedy-Ives Labor Reform Bill was a mild measure barring ex-felons from union office, and requiring reports on labor relations expenditures.

Selective Discounts to customers, even where made in good faith to meet a competitor's low price, would have been outlawed in the Patman-Kefauver Bill if the effect was to reduce competition.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,678	1,632*	2,101
Autos, units	59,900	65,614*	117,598
Trucks, units	13,298	15,441*	20,001
Crude runs, thous bbl, daily aver	7,713	7,597	7,969
Distillate fuel oil, thous bbl	11,628	11,730	12,425
Residual fuel oil, thous bbl	6,897	6,641	7,843
Gasoline, thous bbl	27,577	27,589	27,261
Petroleum refineries operating rate, %	83.9	82.6	88.6
Container board, thous tons	152,100	150,247	147,505
Boxboard, thous tons	142,159	138,627	139,461
Paper operating rate, %	87.2	89.4*	90.1
Lumber, thous of board ft	246,868	247,661	239,706
Bituminous coal, daily aver thous tons	1,315	1,283*	1,603
Electric power, million kilowatt hours	12,851	12,707	12,409
Eng const awards, mil \$ Eng News-Rec	373.0	336.9	257.7

* Revised.

Price Changes

Silicone Rubber—Cuts of 10% to 12% on silicone rubber have been announced by the Dow Corning Corp. New rate is \$22 a lb. for 1,000 lbs. or more. Reductions were caused by increases in production.

Crude Oil—Reductions of 15¢ a bbl. have been announced by Texas Co. and Sun Oil Co. for prices paid on South Louisiana crude oil. It leaves 40 gravity crude at \$3.30 a bbl. Competitive conditions were given as the reason for the drop.

Heating Oil—Home heating oils, diesel fuel, and kerosene tags have been raised by 3/8¢ to 1/2¢ a gal. by a number of mid-continent refiners.

Arnel Fiber—Celenese Corp. has raised tags 2 to 6¢ a lb. on arnel triacetate textile fiber. Tags now stand at from 85¢ to \$1.27 a lb. Tight supply and heavy demand are reportedly the reason for the increases which apply to all arnel filament yarns.

Fir Lumber—Northwest mills boosted key lumber tags by \$1 last week. Bellwether grade green fir two-by-fours are now quoted at \$68 a thous. ft. The boost represents a cumulative \$9 increase in the past two months. Continued rising demand caused the increase.

Dry Ice—A price increase for dry ice was announced by the Olin Mathieson Chemical Corporation. The new price is \$85 a ton. Increased costs of production and distribution were cited as principal reasons for the increase.

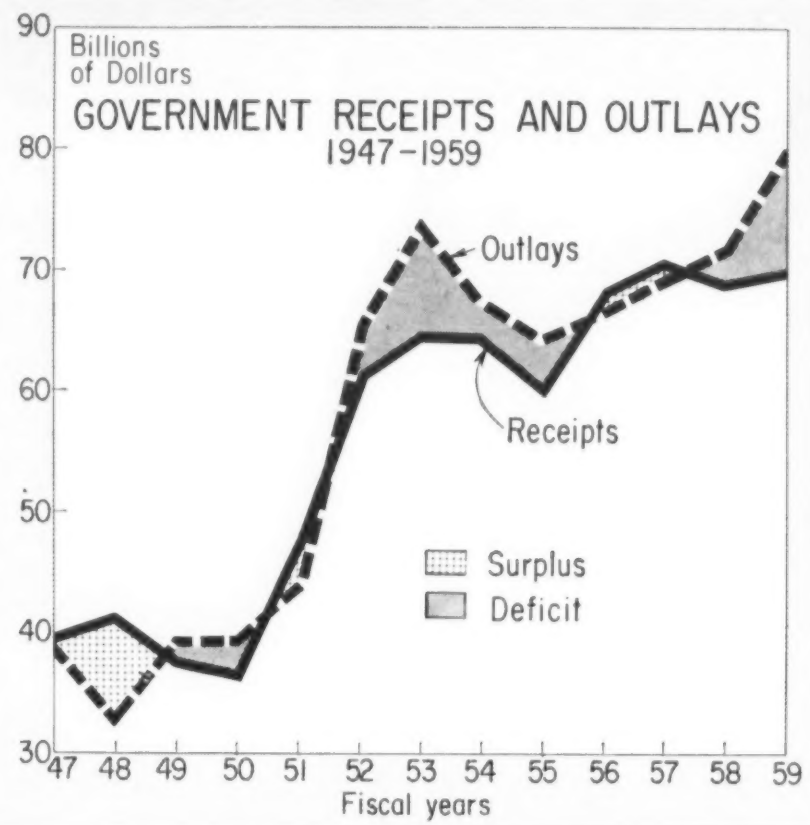
April-June Data Show GNP at \$429 Billion

Washington — New revised Gross National Product data indicate second quarter recovery was even better than preliminary reports indicated. GNP for the April-June period rose to \$429 billion, \$1 billion above the preliminary estimate made last month and over \$3 billion above the first quarter.

Behind the rise were easing of inventory cutbacks, rise in personal consumption expenditures and continued increases in government spending. Details are shown in the table below.

Gross National Product *	(Billions of Dollars)		
	— 1957 —	— 1958 —	
	IV	I	II
Product	\$438.9	\$425.8	\$429.0
Personal Consumption Exp.	287.2	286.2	288.3
Durable Gds.	39.6	36.3	35.6
Non-Durable Goods	138.8	139.8	141.4
Services	108.7	110.1	111.3
Gross Private Domestic Inv.	61.5	49.6	49.2
New Constr.	37.2	36.3	34.9
Residual Non-Farm	17.6	17.1	16.2
Other	19.6	19.2	18.7
Prod's. Durable Equip.	26.7	22.9	22.3
Change in Business Inventories	-2.3	-9.5	-8.0
Net Foreign Investment	1.9	.5	.5
Gov't. Purchases of Gds. & Ser.	88.3	89.5	90.9

* Seasonally adjusted annual rates



DEFICITS EXCEED SURPLUSES in government operations as chart of federal receipts and outlays for 11-year period, '47 to '58 shows.

Administration Officials Resigned To Record Peace Time Deficit

Difference Between Receipts, Expenditures To Hit \$8 to \$12 Billion; National Debt Up

Washington—The Administration is now resigned to a record peace time deficit for the year beginning July 1. Informed sources now place the difference between receipts and expenditures somewhere in the \$8-\$12 billion range.

These are the facts of life. They are now being readily admitted in Washington by Democrats and Republicans alike. With the economy far from fully recovered, receipts won't be nearly big enough to offset bigger military and other expenses.

As a purchasing executive you can't afford to overlook the possible effects of such a large deficit on your long-range purchasing.

Deficits Can Be Inflationary

- Deficits can very often be inflationary, tending to push up the general price level.

- More specifically, demand for individual products purchased by government (hardware for the military, cement for highways, etc.) is strengthened by increased federal participation.

Looking over the post-war history, with deficits in seven out of the past twelve years (see chart above) it's easy to see where some of recent inflation has originated.

Over that period the national debt rose from \$258.3 to \$276.3 billion. With even bigger deficits looming, the national debt may be over the \$285 billion level by this time next year.

Why such deficits? That's the question most often asked when federal spending is discussed. To answer it you have to look at two sides of the budget picture, spending and receipts.

On the spending side the first thing that hits you is the tremendous military bill. Defense outlays this year are officially estimated at \$40.8 billion—and that doesn't include any possible Middle East acceleration.

Unofficially, most defense experts say the figure will go well over the \$41 billion mark, the highest level in six years.

And if you add other defense related items that make up "major national security" the figure rises to about \$47 billion. That's close to 60% of total government spending.

The farm program also may eat up more of Uncle Sam's money this year. Bumper crops all over the country mean a new government farm hoard.

Cost of Support Programs

It may cost the government \$6.3 billion to carry on its support activities. That's a full billion more than in fiscal '58, and more money than spent by the State, Labor, Justice, Commerce, Interior and Health Departments combined.

On the receipt side, the actual amount of money collected is directly dependent on the level of business activity.

Even a small decline in production can make a difference of billions in receipts going into government coffers.

Last year provides a good illustration of how volatile and hard to estimate this figure is. As late as this past January, receipts for fiscal 1958 were officially estimated as high as \$73.6 billion. Actual figure came to 69.1.

PURCHASING WEEK economists, in the chart above, put fiscal 1959 receipts at \$70 billion. This is on the basis of a slow gradual recovery, with 1957 peaks not attained until well into 1959.

To sum up, it is extremely doubtful whether a slowly recovering economy can bring in more than \$70 billion in income, excise, corporate, and other taxes.

On the other hand, based on military, farm and other commitments, expenses are almost sure to approach if not pass the \$80 billion mark.

Result: That leaves approximately \$10 billion to be made up. Allowing for \$1 billion or so variation either way in receipts or outlays, it's hard to see how an overall deficit of \$8-\$12 billion can be avoided.



Wichita P.A.'s Plan District 2 Conference

Wichita, Kans.—Completing plans for the program of the 12th Annual Southwest Purchasing Conference, N.A.P.A. District 2, scheduled here Oct. 8-9 are committeemen of the Wichita Association of Purchasing Agents.

Members seated, left, are W. D. Grisamore, Cessna Aircraft Co.; John L. Martin, Globe Engineering Co. (partially obscured); Charles B. Harrell, American Electric Co.; Roy A. Bartels, Massey-Ferguson Industrial Div.; Max L. Stein, Massey-Ferguson; Robert W. Johnston, Southwest Grease & Oil Co.; and Wm. C. Adamek, American Electric Co. Standing are M. M. Evans, Farm Credit Administration; and Jesse Whitehead, Duke, Inc. Committeeman not shown is R. J. Barlow, Vickers Petroleum Co.



R. FRED BALDWIN

Metropolitan Purchasers Name Baldwin President

New York—R. Fred Baldwin, supervisor of procurement administration, M. W. Kellogg Co., has been elected president of the Metropolitan Purchasers Club for the 1958-59 season.

Other officers elected include Walter Sobolta, assistant purchasing agent, The International Nickel Co., Inc., vice president, Frank L. Graham, assistant purchasing agent, L. O. Koven & Bro., Inc., secretary, and Thomas C. Kadien, buyer and administrative assistant, Vanadium Corp. of American, treasurer.

A.M.A. Will Sponsor Evening Class Program

New York—The American Management Association is inaugurating an evening program of educational activities for top and middle management executives in the New York area.

One of the sessions, of particular interest to purchasing agents, will cover ways of planning and organizing a performance measurement program.

The sessions will be held Oct. 14, 16, 21, and 23, and will be repeated Oct. 27, 29, and Nov. 3, and 5. They will be held from 6:30 to 9 p.m. at the American Management Association headquarters, Hotel Astor, New York.

Toledo P.A.A. Sponsors Annual Golf Tourney

(Picture at Right)

Toledo, Ohio—The annual golf party of the Toledo Purchasing Agents Association was held recently at Highland Meadows. Golf attracted 174 members and guests.

Family Picnic Staged

Buffalo, N. Y.—Refreshments, games, and dinner were on the program at the Purchasing Agents Association of Buffalo's annual family picnic at the Buffalo Trap & Field Club Aug. 20.



LARRY RUSKIN, center, receives Toledo P.A.A. golf trophy and congratulations from Mel Schneider, left, and Joe Cira, tourney chairman.

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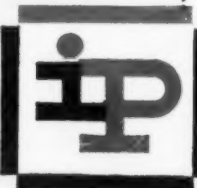


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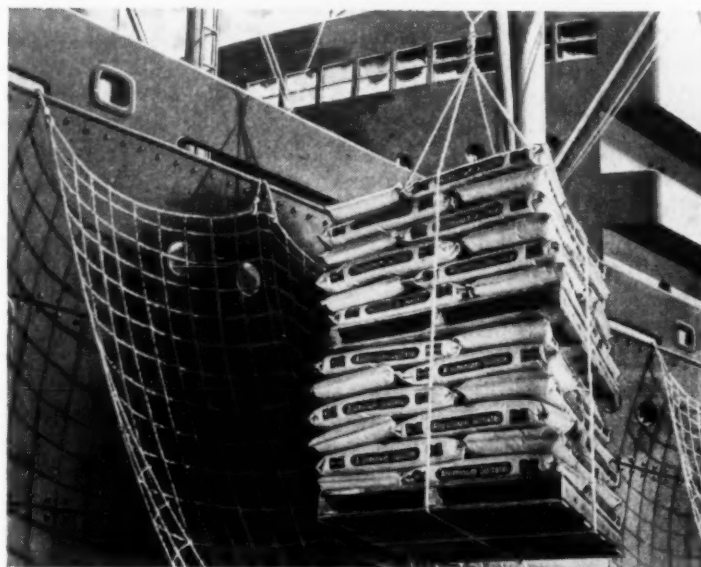
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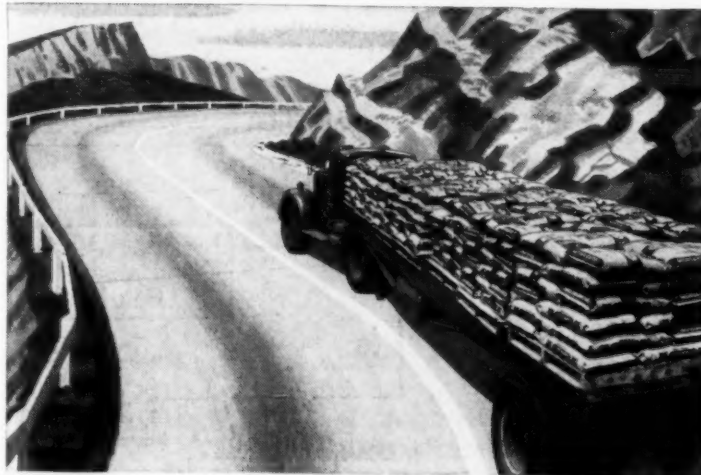
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2. Reduces purchasing staff size.
3. Eliminates red-tape and lost time.
4. Reduces accounting costs and speeds order processing and invoice payment.
5. Develops higher caliber field personnel with greater responsibility and opportunity for advancement.
6. Spreads buying sources outside of home office area. This gives greater opportunities for economies and selectivity in buying.
7. Allows the company to participate in the economy of each of its plant communities.



WARREN MATTHEWS, Falstaff's assistant purchasing director, left, views area covered with C. F. Demmrich, vice president of purchasing.

Modified Centralized Buying Aids Falstaff

St. Louis Brewer Finds New System Helpful in Growth Period; Incentive Aids Plant P.A.'s; Operation Allows Smoother Flowing of Materials for Nine Plants, Warehouse, and Headquarters

Purchasing, at Falstaff Brewing Corp., St. Louis, blends advantages of centralized and decentralized buying. Its plan: modified centralization. Control is centralized, and a large area of buying is decentralized.

Here is how C. E. Demmrich, vice-president and director of purchases, explained the new system for PURCHASING WEEK.

Demmrich might dispute the term "modified centralization," but he does not dispute the effectiveness of the plan. Purchasing has proved itself in this ten-year period of dramatic company growth. In 1952, when the present purchase system was started, Falstaff sold 2.3-million barrels of beer. Sales in 1957 were 4.3-million.

Purchasing has met the problems of decentralized company production. After World War II Falstaff had four plants. Today, it has nine and a warehouse. In addition to the headquarters plant

in St. Louis and another plant there, operations are run at such far-flung points as New Orleans, La.; San Jose, Calif.; and Omaha, Neb.

Falstaff Executive Vice President and General Manager Harvey Beffa has publicly stated: "We believe that sound purchasing has played an important role in the growth and progress of our company."

Prior to 1952 plant buyers reported directly to St. Louis purchasing headquarters. All requests by plants cleared through central purchasing where suppliers were selected and orders placed. The St. Louis purchasing office controlled and operated the entire purchasing program including expediting and order confirmation. Plant buyers were little more than clerks and local buying was at a minimum.

Centralized purchasing was not flexible enough to keep up with company growth and regionaliza-

tion. Local plant community good-will suffered, a large central staff was needed, and purchasing efficiency was being strangled by red-tape.

Under the present plan, plant buyers report to the local resident managers. (see Box). These buyers recommend local suppliers to the central purchasing staff. Central purchasing, headed by Demmrich and assistant purchasing director Warren Matthews, approves or disapproves recommendations. Part of the central staff checking system involves approval by technical staff departments on quality of supplies.

Approved Supply Lists Used

Technical departments at Falstaff publish approved supply lists as a guide to purchasing. New materials, or materials from new suppliers, are submitted to these departments for approval. Only those materials that appear on approved supply lists may be purchased.

This technical approval system does not lessen purchasing authority. The published purchasing policy at Falstaff states: "The Purchasing Department has full authority to question the quality and kind of material asked for in order that the best interests of the Company may be served."

Beffa recently backed up this policy when he stated: "Our purchasing people are the experts and they are given the full responsibility and respect they need to do the most proficient job they can. Their policies and procedures have been approved and explained throughout the organization."

Approved suppliers are assigned a percentage of the total plant purchases. Purchasing keeps a percentage of total plant needs "unassigned." This is done to give suppliers an incentive to try for an extra share.

Falstaff has two to three suppliers for each commodity used. Depending on size of supplier, locations of his plants, and past quality of service, orders for each Falstaff plant are divided into a

fixed percentage. A typical breakdown might be 40-20-20, with 20% left "unassigned" each year.

Local buyer incentive is built into this plan. Any plant buyer who strikes a particularly good buy can recommend the purchase to headquarters. With staff approval, the plant buyer can then allocate portion of this order to an "unassigned" percentage for the same commodity at one or more other Falstaff plants.

Demmrich terms this "competitive buying," and compares it to competitive selling. Local buyers vie to build up their plant purchasing level. Control and coordination is through central purchasing.

The local purchasing agent makes his own recommendations as to percentages to be allotted companies which supply commodities to his particular plant. He must have sound reasons for these percentages, and for his recommended suppliers. Since many suppliers are national producers, such as bottle manufacturers, central purchasing has means of checking local buyers' reasoning.

Competitive buying is a two-sided sword of incentive. Comments Matthews, "The plant purchasing agents incentive to find better sources of supply puts us on the spot, because we have to prove our recommended suppliers are better."

Facts Decide Purchasing Order

When asked who wins the argument, the plant P.A. or the home office, Matthews states; "The facts in the recommendations decide the issues. Everything is worked out on the basis of what is best for the particular plant being served, and of course, what helps Falstaff."

Effective checks and balances develop as a by-product of competitive buying. For example, a regional salesman may have a good program for a particular plant but the local P.A. won't give him any business. The buyer prefers other sources. Central staff, however, has a chance to check the program when they

call on the big plants periodically to see what new ideas have been fostered.

Similarly, central office may not like a particular national firm, but the regional salesman and local P.A. work out a good deal. The local buyer will make every effort to "sell" the supplier company to central because the deal is favorable to his plant.

Placing authority at the local level gives the plant buyer a better chance to obtain closer service cooperation from regional sales personnel of suppliers when things go wrong. Also, when he gets extra service and satisfaction he can get that "unassigned" percentage thrown to the best firm.

Local Buying Illustrated

Demmrich illustrates local buying with paper cartons as an example.

Local paper-board manufacturers can supply local needs in accordance with company-wide specifications. The local plant purchasing agent can order locally from an approved supplier to handle his plant's needs. He can allocate these orders to several local plants. Delivery, billing, and paying is handled at each plant.

Centralized purchasing would have involved a much more complicated process. A request would have to be sent to central purchasing from the local plant. Central purchasing would order. Delivery would be made locally. Billing would be central, with "central" having to check local plant on delivery. "Local" would confirm, and central office would do the paying.

Buyers Asked to Submit Policies

An innovation introduced this year is a recommendation by Matthews that all Falstaff suppliers submit in writing a set of operational policies to apply exclusively to Falstaff. The policies provide channels and procedures so that operations will be similar at all plants. They also will enable the company to evaluate suppliers over a period of time.

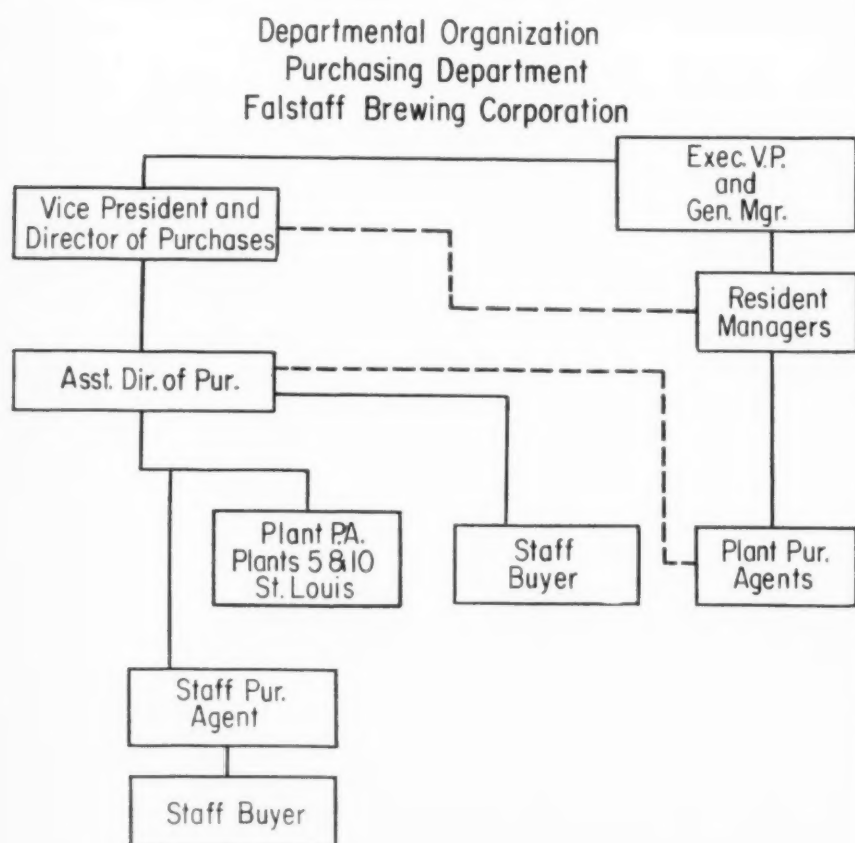


CHART breaks down Falstaff's purchasing department procedure.

This Changing Purchasing Profession . . .



W. A. VAUGHAN

Solar Names Vaughan To Succeed Stevens

San Diego—William L. Vaughan has joined Solar Aircraft Co. as manager of purchasing at the firm's San Diego plant. He succeeds Russell L. Stevens who resigned to accept an appointment as a federal judge on the island of Okinawa.

Vaughan had been with Axelson Mfg. Co., a division of U. S. Industries, Los Angeles, since 1956 as director of purchasing and a member of the management staff. Before that he had been with the Air Conditioning Division of Remington Corp., Auburn, N. Y., for three years, where he advanced from purchasing agent to plant manager.

P. J. Breting to Retire From Rheem Automotive

Fullerton, Calif.—Paul J. Breting, purchasing agent for Rheem Automotive Co., will retire Sept. 1 and is being retained by the firm in a consulting capacity. Lewis B. Hoagland, assistant purchasing agent, will succeed him.

Breting joined the firm in 1941 as material control manager. He became purchasing agent in 1950. He is a member of the Purchasing Agents Association of Los Angeles and the National Association of Purchasing Agents.

Niehaus Accepts Post In Hercules Purchasing

Canton, Ohio—Robert J. Niehaus has taken the post of general purchasing agent at Hercules Motors Corp.

Niehaus had formerly been with the purchasing department, Ford Division, Ford Motor Co., where his responsibilities in-



R. J. NIEHAUS

cluded purchasing administration, purchase analysis and buying. Before joining Ford, he spent three years as a supply officer in the U. S. Navy.

Convair Names Sheldon To General P.A. Post

San Diego—George J. Sheldon has been promoted from purchasing agent to general purchasing agent of the Convair Division, General Dynamics Corp. He succeeds Harold N. May who retired and is now acting as an aircraft industry consultant.

Sheldon has been with the company 14 years. He formerly was purchasing agent for Dreyer-Hanson Inc., Los Angeles, and was with Republic Steel Corp. in Cleveland for 15 years.

Richard L. Donoghue succeeds Sheldon as purchasing agent. Before joining the firm in May 1957, Donoghue was director of purchases for Easy Laundry Appliance Division of Murray Corp., Syracuse, N. Y.



R. A. BEHRMANN

Emery Industries Inc. Appoints Behrmann Director of Purchasing

Cincinnati—Robert A. Behrmann has been named director of purchases and traffic by Emery Industries, Inc.

Behrmann, who joined the firm in 1948, has served as director of purchasing since 1954. He now assumes the additional supervision of traffic operations and all purchasing activities of the recently acquired Vopcolene Division, Los Angeles.

L. H. Juengling has been transferred to Armo Steel Corp.'s headquarters, Middletown, Ohio, as vice president in charge of purchasing and traffic activities. He had been vice president in charge of the Sheffield Division since 1956.

Frederick W. May has joined American Radiator & Standard Sanitary Corp.'s stamping plant, Buffalo, N. Y., as purchasing agent. He had been a buyer for National Gypsum Co., Buffalo, and was with that firm about seven years.

John A. Mattis has been appointed purchasing agent for the City of San Diego. He succeeds **J. Harold Shaw** who retired April 22. Mattis had been purchasing agent for the City of Berkeley since 1956.

Ross G. Linson succeeds **George Billingsley** as purchasing agent of the Port of Oakland, Calif. Billingsley retired after 22 years of service. Linson served in the Navy Supply Corps for 23 years and retired in 1956 as a captain. Since then he has been a high school mathematics instructor and served with a management consultant firm.

John E. Grant has been promoted from assistant manager-inventory control to manager-material control, United States Steel's Supply Division, Chicago. He will be responsible for purchasing and inventory control.

H. F. Paff has been appointed director of purchases at United Shoe Machinery Corp., Boston, Mass. He succeeds **A. L. Neff** who retired after 49 years of service.

William G. East has been transferred by Monsanto Chemical Co. to the purchasing department of its John F. Queeny plant at St. Louis. He had been serving as purchasing agent for the firm's plant at Luling, La. **Stephen J. Keller**, assistant plant purchasing agent at Luling, succeeds East.

Emmett Bridges, deputy director of procurement and production of the Oklahoma City air material area, Tinker Airforce Base, has been named head of the office of the procurement committee. He will manage the directorate's buying function and recommend or disapproval of contracts.

Kenneth B. Coates appointment as civilian district chief of the Army's Detroit Ordnance District, has been extended for another year. He was first appointed to the post in 1955.

Army, Air Force Shifts Procurement Personnel

Los Angeles—Reshuffling of a number of military procurement assignments has been announced by the Army and the Air Force.

Col. Paul H. Scordas has been appointed chief of the U. S. Army Ordnance District, Los Angeles, succeeding Col. J. E. Johnston who has been reassigned as chief of the Detroit Ordnance District.

The Air Force named Col. Daniel A. Cooper chief of its Los Angeles Air Procurement District. He succeeds Col. Robert V. Kirkland who has been transferred to Hawaii as Director of Procurement and Production for the Pacific area.

Obituaries

W. H. Conklin

East Orange, N. J.—William Howell Conklin, 78, died July 30. He was treasurer and purchasing agent for the J. E. Mergott Co., Newark, N. J., when it merged with Fedders-Quigan Corp. in 1940. In 1942 he became a buyer for Purolator Products Inc., now in Rahway, N. J. He retired six years later.

A P.W. Profile

P.A. Bill McCulloch, Bowler, Admired by Northwest Keglers

W. W. "Bill" McCulloch, a P.A. whose name is known favorably to some 20,000 league bowlers in Oregon and Washington, is a man who sometime wonders where a hobby interest and company bowling team can lead a man.

McCulloch, a partner and P.A. in the Portland tank manufacturing firm of McCulloch & Sons is regional executive director of Oregon and western Washington for the American Bowling Congress. He has been an ABC director since 1953, enjoying every minute of his work.

"It's one of the most interesting extra-curricular things I've ever tried," says Bill.

Has Many Hobbies

McCulloch is pretty good at getting into extra-curricular things and sometimes says, "Maybe I'm a man who has too many hobbies." In 1952 he was president of Columbia-Edgewater Country Club (he's a 10-handicap golfer). And he's an active Columbia River boater in a 33-foot power cruiser named the Sue-Mac after a favorite niece.

The process that led to Bill's elevation to bowling's top legislative body (the group that makes rules, approves equipment and plans the annual ABC tournaments) started in 1938 when McCulloch & Sons entered the Metal Trades Bowling League in Portland. Bill, who had done a little casual bowling, was a member of the team.

Fun and Exercise

"We had fun and exercise for the first two years," Bill recalls. But that was the learning-how stage. His average got better and better as he finished an 8-year hitch with the company team.

Then becoming known as one of Portland's better bowlers, McCulloch was invited in 1946 to join one of the city's better teams. His average was 192. The next year the team won the state tournament and McCulloch won the all-events title. That same year the red-hot P.A. racked up the Portland city championship.

For the past two years McCulloch has had to get his exercise in golfing. An operation to correct a slipped spinal disc knocked out his bowling, but he's hopeful to be back on the lanes again soon.

John Bruce

Denver—John Bruce, 65, purchasing agent for Beatrice Foods Co. and manager of the dairy supply division, died July 29. He had been with the firm more than 48 years. Bruce started as an office boy.

Surviving are his wife, a brother, and three sisters.

A. P. Krieg

Rochester, N. Y.—Anthony P. Krieg, retired purchasing agent



BILL McCULLOCH known in bowling circles, lets one fly toward pins.

Meanwhile he's staying close to bowling through his activities as Oregon ABC director. That job is no cinch for there are 73 local associations in Oregon and Western Washington using McCulloch as their contact with the American Bowling Congress. The pace is stepping up, too, as the Portland Bowling Assn. lays plans to corral the 1964 ABC tournament for Portland.

Organized Bowling, a Pleasure

"It's a pleasure to work in organized bowling," McCulloch told PURCHASING WEEK. "You meet fine people in all walks of life. They're all devoted to bowling as a good clean sport."

Bill finds nothing in his job with the ABC that directly helps him as a P.A. But his experience as a P.A. is good background for a specific job with the ABC. He's a member of the ABC's New Equipment Committee. Twice each year he attends a special meeting of the committee to inspect and pass on new bowling devices offered by manufacturers or developed by ABC's own two-man research team.

Leader in Standards

"Our bowling association is a real leader in standardization and a lot of P.A. associations are finding they can learn things from the ABC," said McCulloch. An ABC film emphasizing standardization of bowling equipment has been shown at meetings of the Purchasing Agents Association of Oregon and at the Los Angeles Association.

for Wollensak Optical Co., died Aug. 10. He retired eight years ago after 40 years as purchasing agent. Krieg was a member of the Purchasing Agents Association of Rochester.

H. L. Macallister

Buffalo, N. Y.—Harold L. Macallister, 61, assistant purchasing director for the Buffalo plant of E. I. du Pont de Nemours & Co., Inc. died Aug. 14. He joined the firm in 1938. His wife and a son survive.

Foreign Perspective

AUG. 25-31

London—Russia is expected to purchase copper bars from the West now that the strategic embargo list has been revised. But there is little hope of any great buying spree.

Cash and forward metal both rose on the London Metal Exchange when Russian enquiry for copper was reported. Extent of Russian interest, however, is still uncertain.

For some time Britishers have been arguing that the Reds wanted copper badly. All the same, commodity men here are generally skeptical about shipping substantially more across the Iron Curtain.

Here's why: Since 1954, the Soviets have been able to buy copper wire, but not bars, from Britain. Shipments from the U.K. have been running at around 10,000 tons a year. Recently orders from the Soviet for copper wire have eased off. It's now thought that Russia is covered for its wire needs for the time being at least. And the Reds have good rolling mills of their own.

Meanwhile, copper price firmed here recently partly on the lifting of the export ban, and partly following Britain's bank rate cut. More cheerful news about the stateside Minerals Subsidy Bill helped the metal too.

Tin is also being watched closely in local markets. The Russian trade delegation in England confirmed the fact that the U.S.S.R. has offered to become an observer member of the International Tin Council. The offer has stirred up quite a hornet's nest of controversy.

Most market members here seem to agree it was a pretty shrewd move by the Reds. They are getting to a position where they can claim credit for cooperativeness without risking a single rouble on their tin sales. It's become apparent that the Russians are not such novices on the metal markets.

For by offering to become an observer and not a producer member of the Council, the Russians skirt around the awkward question of whether Soviet tin shipments to Western markets can be slashed. And at the same time, as an observer, the Russians will be able to pick up inside information about the Free World's tin business. Most mining officials seem willing to accept Russia only as a full participating "producer" member of the Council.

Recent Soviet sales of tin are most likely explained by the availability of supplies from China. Russian deliveries come either from re-sale of this tin or from the liquidation of their own stocks. Continued unloading of this type is expected by most metal market men here.

The whole problem is likely to strain the resources of the Tin Council for quite a while.

Mexico City—Continued increase in production of Mexican sulphur is likely to have significant effects on the world market. Major producers here are stepping up output and there are rumors in sulphur trade circles that another American independent company is angling to get into the Mexican swim.

This step-up in Mexican sulphur production might make prices a bit watery, some experts guess. Already there are signs of heavy competition in moving sulphur out of Mexico, and it is rumored that if there aren't fluctuations in prices, there are deals being made with discounts and with freight payment kickbacks.

Mexico's Geological Investigation Institute claims that the state of Chiapas (state adjoining that where Pan Americana's sulphur site is located) could eventually be worked up to an annual production of 14-million tons of the yellow powder. The Institute's report said that only 162,000 tons have been exploited in the area and that "the virtual monopoly of the U. S. in the International sulphur trade will be seriously threatened by Mexican production." The report claimed that because of cheaper Mexican labor, sulphur could be sold at \$10.50 (U. S.) per ton at the dock in Mexico, where it cost \$26.50 (U. S.) at the mine in the U. S.

The Mexican Sulphur Institute said that total first half production was 629,537 long tons. Should this rate be maintained, the Institute predicted, Mexico's total 1958 sulphur production would be close to 1.3 million tons.

Tokyo—United States technical and financial help is being sought for the construction of a major toll road here.

As part of an enormous highway expansion program the new turnpike from Nagoia to Kobe will serve an industrial area which has 80% of the motor vehicle population of Japan. The Japanese hope to raise \$112 million from overseas sources to help finance the \$2.5 billion highway program.

Japanese finance and highway officials are currently in the U. S., and are contacting the World Bank and the Export-Import Bank for funds.

Commerce Department's Center To Handle Russian Translations

Washington—The U. S. Department of Commerce is now operating a Foreign Technical Information Center. The center's purpose is to provide American science and industry with translations of Soviet technical information. The center is part of the Office of Technical Services, Business and Defense Services Administration.

Services of the center include publication of abstracts of all articles appearing in 141 Soviet technical journals, a semi-monthly review of various areas of Soviet scientific developments compiled by the Central Intelligence Agency, and other translations of Russian professional journals. Abstracts are available on both a single issue and subscription basis as is the C.I.A.'s Scientific Information Report.

Much of the information will be coming from U. S. Government sources, principally the intelligence agencies. Complete translations of books and articles will soon be available.

Articles will be regularly listed in an abstract journal to begin publication about September. A list of publications of the Foreign Technical Information Center may be obtained from the Office of Technical Services, U. S. Department of Commerce, Washington 25, D. C.

British Steel Output Continues to Decline

London—British steel production continues to fall but the rate of decline is slowing down, the Iron and Steel Board reports. Output is 10% lower than a year ago and exports are down 13%.

Smaller demand from the construction industry for heavy steel, rods and tubes, and a drastic run-down of producers and consumers stocks are the main reasons for lower output, the Board says.

Buoyant demand from the automotive industry for sheet steel has saved the steelmakers from making a worse showing. In the first five months of this year, Britain imported \$25 million worth of sheet steel for car bodies after the domestic industry failed to meet demand.

Ireland's Largest Mine Plans Copper Output

London—Ireland's largest copper mining company will start producing in the early autumn. The company, St. Patrick's at Avoca, is a subsidiary of the Mogul Mining Corporation of Toronto.

Estimated ore reserves at Avoca are 20 million tons. The economic life of the mines is believed to be about 12 years.

Freight Terminal Opened At Hamilton Aug. 20

Hamilton, Ont.—On Aug. 20 the Hamilton Harbor Commission's new \$1.2 million freight terminal at Wellington St. wharf opened officially.

The facility has 120,000 sq. ft. of air conditioned storage space which more than doubles the existing covered storage capacity operated by the commission.

Congress Adopts Bill on Imports

Washington—A little-publicized bill to authorize tighter curbs on low-priced foreign imports was finally approved by Congress recently. The legislation is a bill of technical amendments to the 1921 anti-dumping law, separate from—and overshadowed by—the headline battle over extending the Reciprocal trade agreements act.

Its significance lies in the fact that if the President signs the measure as expected, domestic producers will have an easier time winning protective tariff boosts on imported competing products.

The anti-dumping law, originally passed to ban foreign sales of competing products in the U.S. at below-cost prices by European cartels, works this way: Domestic producers may petition the Customs Division of the Treasury to find that specific foreign goods are being "dumped" at less than "fair value." If the Treasury Secretary agrees, the case then goes to the Tariff Commission for a finding of actual or potential injury. The Treasury Secretary must then assess higher duties based on the difference between current price and "foreign market value."

The new changes in the law provide that if the Tariff Commission splits 3-3 on the question of injury, the Treasury must presume injury. They also give Treasury broader leeway in comparing prices on competing domestic and foreign "comparable classes" of items, and require the Secretary to use a higher foreign price base in determining "foreign market value."

The first change sets a new precedent in deciding injury. The other two amendments authorize anti-dumping relief for a broader range of products, and require higher anti-dumping duties when dumping and injury is found.

Hungarian Steel Works Cuts Production Costs

Bonn—Hungarian steel works at Csepel has succeeded in reducing the manufacturing cost of a ton of steel by 750 Forints, about \$60, according to a reliable report from Budapest.

Steel men at Csepel say the reduction has been obtained by reducing substantially the amount of manganese added to each heat.

Dowty Gets Valve Rights

London—Dowty Equipment Ltd., British valve manufacturer, will start making Moog-Servo valves here under a licensing agreement with Moog Valve Co., Inc., New York. Dowty said the agreement covers manufacturing rights in Britain, the Commonwealth (excluding Canada) and western Europe.

Tin Miners Oppose Reds' Observer Role

Kuala Lumpur—Malayan miners are strongly opposing the admission of Soviet Russia to the International Tin Council as an "observer member."

Commenting on press reports from London that Russia would join the agreement as an observer, K. J. Cumming, president of the F.M.S. Chamber of Mines said, "If Russia were to become an observer, I cannot see how producer participants in the International Tin Council would benefit."

"What we want is a decision from Russia at the very earliest as to whether she is prepared to become a producer participant, which she has been requested to do by the Council."

Both European and Asian mining circles will accept Russia only as a full producer member prepared to restrict her tin exports. Also Woo Ka Lim, mining member of the federal council and secretary of the Perak Chinese Mining Association, said there was no provision in the International Tin Council constitution for observers.

As an observer, Woo added, Russia would be able to get into the Council without having to observe tin export restrictions.

Burma to Give Japan Cotton-Finish Contract

Tokyo—Japan soon may get the bid to process \$14 million worth of U. S. raw cotton into cloth for Burma. Although the bidding is open to other nations, negotiations are under way between Japan and Burma on details of processing and charges.

A Japanese textile industry association spokesman said payment for the service will be in cash instead of raw cotton as in the past. The U. S. and Canada, textile men here say, are "positively" trying to help Japan counter Communist China's current economic aggression in Southeast Asia, with the U. S. favoring Japan for the cotton processing service for Burma.

Steel Co. of Canada To Build Pipe Plant

Montreal—Steel Co. of Canada, Ltd. has announced it will build a \$10 million pipe plant at Contrecoeur, 25 miles east of here.

The new continuous butt-weld pipe mill, scheduled for production by the summer of 1959, will make pipe sizes from 3/8 in. to 4 in. in diameter in lengths up to more than 40 ft. Finishing and galvanizing operations, as well as warehousing, will be carried on at the existing St. Henry works.

Britain Suspends Duty On Iron, Steel Imports

London—British Board of Trade announced the import duty on a wide range of iron and steel products would be suspended, effective Sept. 18.

Due to large demands from the automotive industry, import duty on hot-rolled strip, cold-reduced sheet steel, and high-carbon steel wire rod will remain suspended until year end.

Modernize Now — For Growth and Profits

The biggest challenge facing American industry today is that of thoroughly modernizing its plant and equipment. This is the test period for companies to prepare for success — or failure — in the '60s. Success depends decisively on one key policy — modernization, for growth and profits.

The problem of business recession is fading. Sales and industrial production are moving up again, slowly. Business is swinging back into its normal course. This is growth, not retreat and recession. If the recovery takes us back to the normal growth trend, industrial production will be up 15% to 20% by 1960.

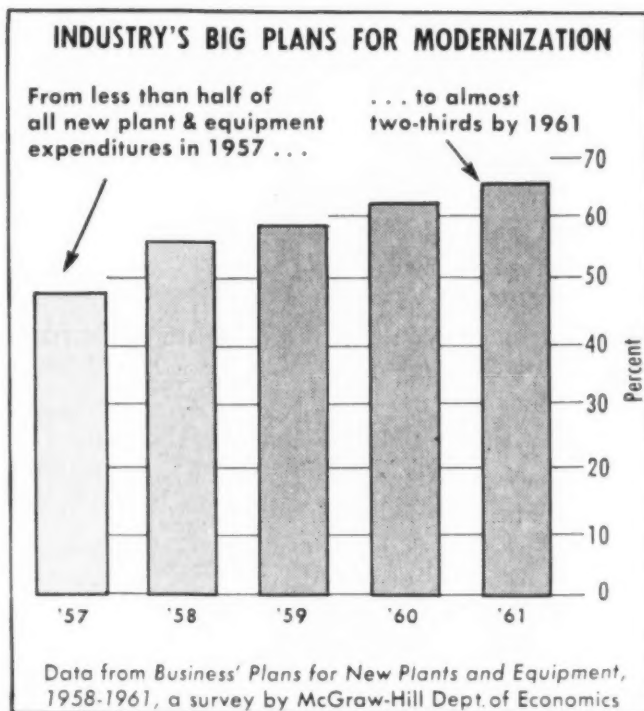
But how can we get this growth in production without the plague of price inflation that has blighted our economy in recent years? And, of fateful consequence for the individual business firm, how can it keep its costs down enough to make a decent profit — something a very large share of American companies are not doing today?

This is the new challenge that confronts business as the recession is left behind.

Nature of the Challenge

The recent record on costs and productivity is not reassuring. Since 1947 wages in manufacturing have risen 68%, while output per manhour has gone up 32%. This is a dismal record for a nation that has prided itself on gains in industrial efficiency. Clearly, if we are to avoid continuing inflation, labor must key its wage demands more closely to productivity increases. But clearly, also, we must do far better in raising output per manhour. Otherwise, industry cannot hope to offer stable prices, and still make a profit.

What, then, is the answer? It is modernization of plant and equipment, the replacement of obsolete producing facilities with new and more efficient machinery and buildings. Only in this way can industry hope to increase production, hold down costs



and make a good profit showing in the years of growth that lie ahead.

Industry's Answer

The chart above shows how American industry is buckling down to the task of modernizing its facilities over the next four years. It is planning to replace old equipment with new machines that will raise output per worker not just 2% or 3% a year, but more like the 5% annual gain in productivity that this nation achieved in the years following World War I.

Since World War II we have had to contend with shortages of capacity and materials that have held back the job of raising productivity. But today the machines and techniques are available. And industry is getting set.

A broad sample of manufacturing companies surveyed by the McGraw-Hill Department of Economics earlier this year reported these plans: In 1958, expenditures for modernization will rise to 56% of total investment in new facilities — compared to 48% in 1957. And this emphasis will increase until by 1961, expenditures for replacement and modernization account for two-thirds of all capital spending by manufacturing companies. In dollar terms, manufacturers

will spend more on modernization in each of the four years 1958-61 than in any previous year except 1957.

Can It Be Done?

These are big plans. Can they be carried out? Is it too visionary to hope that after a decade of expansion, industry can now find the outlets for huge amounts of capital investment in the area of modernization? The answers are important to business and the nation, because on this new wave of modernization depends our hope of holding down costs and prices, and also the prosperity of the vital capital goods industries — generators of boom and bust in our economy.

To ensure that industry gets the answers, McGraw-Hill's 34 business publications are now starting a coordinated effort — the largest editorial effort in the history of our company — to find, report and publish the opportunities for modernization at a profit, in the fields we serve. These special reports will begin in late September and will run through November, with appropriate coverage for the specific needs of each field. We are proud to share with industry the responsibility for making sure that no opportunity is overlooked in the drive to modernize now for growth and profits.

This message was prepared by the McGraw-Hill Department of Economics as the first step in our company-wide effort to report on opportunities for modernization in industry. The Department is also preparing a longer report, on modernization as a national problem, for publication in October.

Permission is freely extended to newspapers, groups or individuals to quote or reprint all parts of the present text.

Donald C. McGraw
PRESIDENT

McGRAW-HILL PUBLISHING COMPANY, INC.

Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGraw-Hill's National Newspaper of Purchasing

Print Order This Issue 26,620

Are You Mistreating You?

"Good health and good sense are two of life's greatest blessings."

Good health, unfortunately, is too often thought of only when it is missing. Too many of us take our health for granted. That's bad enough but some of us even go further, we actually go out of our way to break down our good health.

If a production worker mistreated a piece of equipment, you, as the man responsible for buying the equipment, would be quick to point out to that production man that even the best equipment has definite limitations if not used properly. It's only good common sense, therefore, to look upon your own body and your own health with an interest equal to that which you have in equipment.

This is not to say that good equipment can't be called upon to do an extraordinarily difficult or heavy job. Well-built machinery has a design safety factor that insures it withstanding unusual, but not unreasonable, demands.

Your body also has a reserve upon which you can draw. But if such withdrawals are made with too great frequency or they are just plain unreasonable, there is going to be only one result, poor health.

It doesn't follow necessarily that unreasonable demands stem only from the social side of life—too much drinking, too much partying, too many late hours. Your work habits are involved also.

Sit back and take a good long look at your health; check on the demands you are making on that marvelous piece of equipment you call your body. And, if you are like most of us, you'll need some expert counselling. That's just the kind of counselling you'll find when you read the answers to the key questions we put to Dr. Harry J. Johnson, director of Life Extension Institute, in your behalf. This is a special PURCHASING WEEK report (see p. 12) that you can not afford to miss for one big reason—it involves your health.

Shadows That Indicate Work for You

Coming events, so the saying goes, cast their shadows before. Autumn shadows are popping up all over the place.

At the office salesmen are returning both from vacations and from sales meetings at the home office. They're all excited about the new sales tools to which they were introduced. And they want to try them out on you. If the tools are good, they were designed to help you; and they will.

You can also find another sure sign of fall in notices from association committees. Your program chairman, for example, is busy lining up speakers for fall sessions. If you have an idea or two for programs, now is the time to get in touch with him. Research committees are studying projects to be tackled. Remember, they can't read your mind; if you have suggestions to make, make them now.

Even if you have no suggestions to make, why not call upon one or two committees and offer your help; you'll help yourself, you know.

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I'm Going to See the Doctor. There's Cotton on My Tongue



Your Follow-Up File

17 Items in Barometer Listed

Bridgeport, Conn.

I will appreciate it if you would tell me the items that comprise your Industrial Materials Price Barometer and how they are weighted to add up to the index.

This information would be very helpful to me because it would enable me to interpret the index as it relates to our own operations.

I want to commend you for your fine publication. PURCHASING WEEK provides easy-to-read information that is most helpful to purchasing men.

T. H. Wilber
Purchasing Agent
The Bullard Co.

• The 17 commodities that comprise our price barometer are aluminum scrap, burlap, copper, copper scrap, cotton, hides, lead, lead scrap, print cloth, rosin, rubber, steel scrap, tallow, tin, shellac, wool tops, and zinc. The index is unweighted.

Too Many Changes, Too Often

Lockport, N. Y.

Your chart in the July 28 issue ("Trucking Problems Concern Everyone," p. 5) showing allowable trucking gross and combination weights and lengths is just fine except that it does not go quite far enough.

We know that in some states the load limit is somewhat lower in the winter time. We suggest you publish another chart in the near future to show the winter weights.

A. M. Judd
Purchasing Department
Simonds Saw & Steel Co.

• Allowable gross combination weights and lengths are constantly being changed within the various states. Complete data on seasonal, road surface, and special highway specifications may be obtained from the Bureau of Motor Vehicles of the states within which you plan to operate.

P.W. Has Information Service

Houston, Tex.

On pages 12 and 13 of your July 14 issue you illustrated the use of nylon air structures, plastic pressure-domes and coated nylon tarps (If It's Outdoors—There're Ways to Cover

It). We are looking for more information on these items.

We have just recently subscribed to your periodical and do not know whether or not you have an information service. However, we would appreciate any aid you can give us.

D. G. McComb
Purchasing Agent
The McRan Co.

• We do maintain an information service. We are always glad to help our readers. As for nylon air structures, the one pictured at upper left in the picture story was made by Birdair Structures, Inc., 290 Larkin St., Buffalo, N. Y. The nylon structure in the smaller picture was made by CID Air Structures, Inc., 1501 E. 96th St., Chicago, Ill.

Makes Snap-Back Air Hose

Danielson, Conn.

In your Aug. 4 issue we noted with interest your pictorial feature entitled "Plastic Products Have Many Uses."

The nylon snap-back air hose used with pneumatic tools, as portrayed in your feature, is of particular interest to us. We are interested in obtaining more information on this hose and would appreciate your advising us on a source for this hose.

M. P. Ben

Buyer

Jacobs Rubber
Division of The Bullard Clark Co.

Retsof, N. Y.

On page 13 of your Aug. 4 issue, listed under plastic products, there was an illustration of snap-back air hose.

We would appreciate your advising us of either the manufacturer or distributor of this hose.

J. A. Cooney

Purchasing Agent

International Salt Co., Inc.

• The manufacturer of this hose is the Hycoll Co., Westfield, N. J.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

PURCHASING WEEK Asks You . . .

How can the purchasing department get cooperation from other departments?

Question asked by: J. A. Huitt, Manager of Purchasing
Buffalo Oil Co., Tulsa

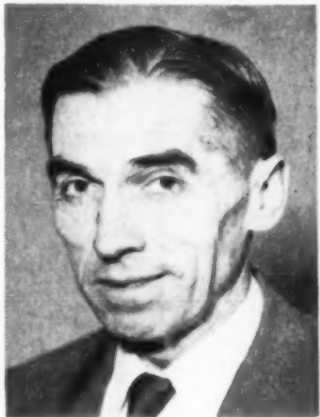


Joan Alexander
Skyway Luggage Co., Seattle

"It is necessary for the purchasing agent to exhibit a high degree of salesmanship and develop in others confidence in his purchasing organization. He is constantly 'selling' his company as a desirable customer. He should use the same technique on other departments—gain their confidence in his objectives and thus develop a friendly attitude and a high degree of cooperation that will benefit all concerned."

D. D. Phillips
Boston & Maine Railroad, Boston

"First, you must really like the people you come in contact with and do business with—pretense will get you nowhere. Second, you must cooperate with other departments. Do your best to serve them, even over and above the call of duty. Enjoy doing it. Third, ask for and expect other departments to cooperate with you. They will be glad to do it. You are their friend and anyone is happy to help a friend."



V. E. Johnson
Chas. Pfizer & Co., Inc., Brooklyn, N. Y.

"By giving service and cooperation, perhaps even beyond that normally expected where the situation warrants, there should be no problem securing cooperation from other departments. Maintain strong lines of communications and good personal contacts to avoid misunderstandings and disagreements. Give other departments an opportunity to discuss problems directly with suppliers if warranted."



S. M. Reese
Darling Valve & Mfg. Co.
Williamsport, Pa.

"The majority of people are receptive to cooperation and will reciprocate. Prove to other departments that the purchasing department is cooperating with them all the time, 100%, and you will gain their cooperation."



J. W. McIntosh
Nunn Better Cabinet Co.
Marietta, Ga.

"As we know, the purchasing department must have cooperation to do a good job in procuring materials. To have this necessary cooperation, I believe you must gain the confidence of each department head. Work together in solving your problems; listen and give thought to their suggestions. Each department should know something of each other's basic operation."



S. L. Remlein
Oakite Products, Inc., New York

"Cooperation springs from an understanding of the problems faced by the other departments. It's our job to channel information from suppliers to the technical men and to search out the suppliers who can give us what we need at the best price. We are in constant touch with all departments, with copies of correspondence, interview reports, reports of research findings and production tests circulated to all concerned."



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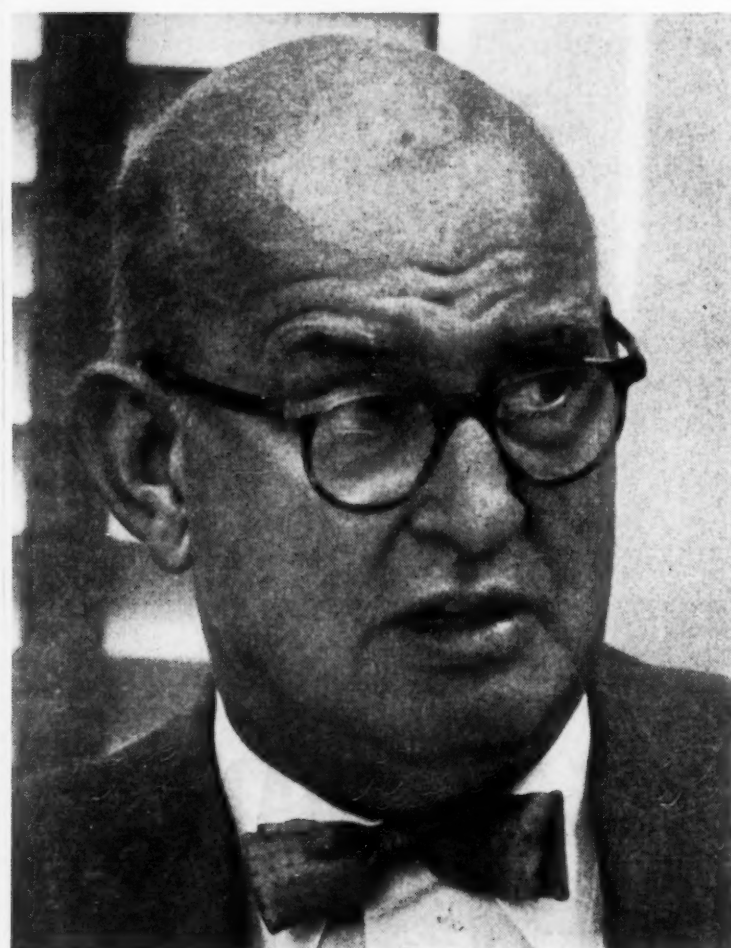
NEW HAVEN 14, CONNECTICUT



"Remind the fellow 40 to 50 to act his age."



"Walk at least 20 minutes, three times a day."



"What about working on ladders?"

Purchasing Week SPECIAL REPORT

Do you want to live better and longer? If you do, protect your health. Take the advice given here by Dr. Harry J. Johnson. He and Life Extension Examiners have examined millions of businessmen. The knowledge he has gained from these examinations, Dr. Johnson passes on to purchasing men in this special report.

Q. We have found that the majority of purchasing agents fall into two age groups: 30-40 and 40-50. Do you have different health cautions for each of these groups when you examine them?

A. Not really. The only caution is to remind the fellow between 40 and 50 to act his age—to avoid handball, squash, and other violent sports.

Q. Do you find more organic troubles in either group?

A. Yes, there's a definite increase in organic diseases from 40 on. Each year the amount of organic disease increases. And that goes right on up to 65, 70 years.

Q. Do you find a different mental attitude toward health in these age groups?

A. Oh, yes! In the younger group, we frequently meet the eager-beaver type. Our view is a little biased because we're dealing with the executive personality altogether. And we find that many of the 30-40 year old group are obsessed with the idea of success. They'll work day and night, weekends, and all the rest. We have to make them realize that there are other things in life besides work—a family, children, and that when they've reached their goal of economic success they want to have something else—good health.

Q. In what ways do these younger men differ from the 40-50 year group?

A. The 40-50 are matured and don't take things so seriously. For the younger group everything seems to be a crisis. The relatively unimportant things become terrifically magnified. And then too, the younger person has been promoted unduly rapidly. He hasn't had enough experience at each stage through which he's gone.

Q. Because the P.A. is a sedentary person who spends a lot of time behind his desk, what kind of exercise should he get?

A. For him, particularly, we would stress daily physical activity. Every one of us can walk, and walking is still the best form of regular activity. We urge everyone to walk at least 20 minutes, three times a day. And then in addition to that, swimming or golf or bowling, or whatever else he can.

Q. Does this apply throughout the work week or just on weekends?

A. Both. If they live in the suburbs with daylight saving time they have their gardening. The summer isn't much of a problem for exercise. Most people get a fair amount. But when November and December come around, then they kind of hibernate. And that's the time we want to stress to get at least that 20 minutes of walking three times a day.

Q. Some P.A.'s do a lot of walking in the plant to see supervisors of other departments. Would that be considered their exercise?

A. If they do that regularly, that's fine. If it adds up to, say, an hour a day of actual walking, that's good. But if they can supplement it with more outdoor walking, that's even better. They can't get too much mild exercise. No normal person can.

Q. For the home gardener, is hand mowing any better exercise than following a power mower around the lawn?

A. No, there's no particular advantage to the heavier kind of work. We're not out to build athletes. We're just out to give that body enough exercise to keep it functioning at its best, and a power lawn mower would serve the purpose just as well as the hand mower.

Q. Some ambitious gardeners move trees, build fences, and so on. Is there an age where you draw a line for this sort of work?

A. We don't advocate it exactly, nor do we discourage it. Each person should use his own common sense, keeping his activities within the excess of fatigue level. To be some tired is good. To be excessively tired, of course, is not good. A sedentary-job fellow is hardly built for moving rocks and pulling trees.

How Purchasing Le

Who Is Dr. Harry J. Johnson?

For 25 years, Dr. Harry J. Johnson has examined and advised businessmen on their health. A recognized authority in the field, he is director of Life Extension Examiners, holding this position since 1933. In 1953 he also became president of Life Extension Foundation, a non-profit organization doing research in the field of business health.

A 1930 graduate of Harvard Medical School, Dr. Johnson served on the faculty of Columbia's Postgraduate Medical School for ten years, resigning in 1950. His present outside medical posts include senior attending physician at French Hospital in New York City and fellowship in the American College of Physicians.

As director of a nationwide network of more than 500 physicians who examine businessmen, Dr. Johnson helps guard the health of men (and women). Life Extension Examiners was founded in 1914 by William Howard Taft and other prominent businessmen. It gives no treatments, performs no operations, maintains no hospitals. Its job is to prevent illnesses among businessmen through yearly preventive examinations and counsel on attacking emotional and physical stresses which lie at the root of degenerative diseases.

As Dr. Johnson told PURCHASING WEEK, "Our counseling is 75% a discussion of living habits—how to cope with situations in business and at home that affect health. How the businessman treats his body today determines his health tomorrow."

Q. What about working on ladders?

A. That we would discourage. They should do all they can from the ground or just a short ladder. Too many people have come to grief from getting on roofs, fixing shingles, and painting siding, and so on. Not that there's anything wrong with the exercise. But they're just not skilled, and the hazard is too much.

Q. What can the commuting P.A. do for exercise?

A. He can certainly walk to his office from the train. Or if he gets onto the subway or the bus, walk the first five or six blocks to the station and get off at the station before his customary one so that he can walk the last five or six blocks.

Q. How about walking upstairs? Is this more strenuous than level walking?

A. Yes. Walking upstairs should be discouraged for most sedentary people. That's hard work. If a person does walk upstairs, it should be done relatively slowly. And not too many flights at one time. That's really hard work.

Q. Do you get the same advantages using an indoor cycling exerciser as you do a bicycle?

A. You get the same physical benefit, but there's a certain psychological stimulation to be on the bicycle out in the air, the feeling of motion, that gives a person a sense of exhilaration. We find that when exercise is done for exercise's sake, it usually is not carried out very religiously. There are excuses always why it can't be done. Whereas if the exercise is fun, then it's carried out religiously; and the benefits are all there.

Q. What kind of physical activities are advised for vacations?

A. Vacations should be a complete change for a person—a geographic change, physically away from his accustomed routine. Whether the family goes to the lake or to the mountains or wherever makes little difference. It's whatever they enjoy most, and preferably a location where they can be outdoors and get a lot of physical activity.

Q. Do you recommend hiking or swimming?

A. Swimming, by all means. Hiking we have to be a little bit cautious about because that infers hills and irregular terrains. And for the 40-50 year old fellow, that sometimes becomes a little rugged if it's just done in vacation. If a person does it all year long, fine.

Men Can Keep Their Health

Q. For the purchasing agent who travels a great deal, how should he select food away from home?

A. Well, first, food selection should depend on a person's weight. The scale should be the guide as to how much. If weight is normal, a fellow can eat just about what he likes. Now, if a person is bothered with indigestion, if the fellow is on the road and under a lot of tension, pressure, and pushing, then it would be smart for him to stay on a bland type of routine. Avoid the seasonings in food, the pepper, mustard, chili, horse radish, and go a little sparingly on the salads, the uncooked vegetable group because they're pretty gassy many times.

Q. Is that true of any vegetable salad?

A. Yes, when a person's under tension, salads are a little difficult to digest. It's better to stay by the well cooked foods. Avoid skins of fruit and seeds under periods of tension.

Q. Is there any way to avoid constipation on long trips?

A. Constipation frequently is caused by too little fluid intake. When a person is busy and going along, he doesn't drink his accustomed amount of fluid. Constipation may be temporarily caused by tension and pressure. You'll find that on return to home bowel function will usually return to normal. More fluid is very important.

Q. From that, we shouldn't infer that we should drink more cocktails on the road?

A. When we say fluid, we refer to water, fruit juice, milk, coffee, and tea though we have no objections to a drink at the end of the day before dinner, our counsel to most people is: Have that drink at the end of the day. That's good medicine for you. But after the first drink, you're on your own. We prescribe the first one. Never the second.

Q. In your experience are extra-curricular or professional activities mentally stimulating but physically enervating?

A. The physical capacity is amazingly good. When people get tired, they're usually tired from being bored. When they have something stimulating and interesting to them, it's amazing how much they can do without suffering from it. On the other hand, if it's something they feel they have to do, and they do it as a duty instead of a privilege, then it's far better avoided.

Q. If a person is stimulated by some activity during the day, would you expect him to be more tired at the end of it?

A. Many times a person will be dead tired when he gets home from work. Yet, if something interesting or stimulating comes up, he's alert immediately and feels fine; and the fatigue is gone. That fatigue, most of the time, is the result of a routine day which had lost its charm for them. Of course, it's unwise to have a person overly stimulated in the evening because it may well interfere with his sleep. He should certainly have something to quiet him down, for half an hour before bedtime.

Q. Is there value in the office coffee break?

A. The coffee break is excellent. It's a break in the monotony of the day, and a person gets back to the job and does a far better job. Though coffee itself is stimulating, you get just about as much benefit out of orange juice, or tea, or just going outside to talk to someone and have a cigarette.

Q. Should the coffee break be regarded as a time for eating?

A. It's not necessarily an eating time, and there's definite harm to it if the person's weight is above normal. Insofar as it's possible, it should be a change of scene, not just have the coffee served at the desk. If you can walk 50 or 100 ft. to a central location where there can be a little friendly intercourse with the other crowd, a little discussion, that adds to the benefit of the coffee break.

Q. In a purchasing agent's job there are small but repetitive annoyances. What do you do when you're frustrated by these small things, just blow your top a little bit?

A. No, in every job there are certain objectionable features. There is no job that's perfect, where you're just doing what you want to do when you want

to do it. As purchasing people, they've got to accept the little annoyances. They're just as much a part of the job and just as important as making a decision on something they're going to buy. And the big thing is to have them accept and not resent them. Resentment upsets people a lot.

Q. What about the big annoyances? Is it better to contain your feelings or blow off steam?

A. No, there isn't a better thing. Some people will blow up and you can't tell them not to. It's part of them. Others will keep it within themselves, and go on and get mad but not show it. That's an individual thing. You can't change one into the other. Now, one thing we should discourage is to allow the person who blows off to use these annoyances as an excuse to take it out on somebody around him. They justify their blow-offs by the fact they are under tension and they're being unduly irritated and annoyed. There's no harm in an occasional spontaneous blow-off that just happens. But when a person does it too often, that person ought to be halted.

Q. What do you recommend as the minimum time between physical examinations?

A. We have found from experience that the annual examination is just about as good as we can get.

Q. Have you found many physical troubles traced through dental defects?

A. Our thinking has changed in that direction. We do not take nearly so seriously the infected tooth today as we did 25 years ago. When it's present, we recommend removal; but we don't feel that it's going to be the cure-all and that it's going to make a new person of the individual.

Q. Does Life Extension do dental examinations?

A. As part of a complete physical, the teeth are examined very carefully. And where dental care is indicated, the person is urged to get it. People get a little careless. They don't have a toothache, it's expensive, and they keep deferring it so that we prod them to get it done.

Q. Doctor, what's the best way to control weight?

A. There's only one way to control weight. And that is to control the intake of food. Now, of course, the ideal foods to minimize when weight gets out of bounds are the fats. Butter, cream, and fat on meat are the outstanding examples. And we would certainly urge a person whose weight is out of balance should curtail fats first.

Q. How can you know what is your optimum weight? I seem to go up and down within 5 and 7 lb.

A. That is normal. Anyone who fluctuates between 5-7 lb. with the average in-between somewhere near the normal weight, that is ideal. We can never hope to maintain an exact level of a given pound across the board. Many people have an optimum weight a little above their so-called normal weight. They can maintain their optimum weight and be reasonably happy and eat just about what they like. Whereas if they try to get it down and hold it at the absolute level, they're fighting all the time. They're unhappy and miserable. There's no justification for urging that person to pay that price for that little 5 or 10 lb. differential in weight.

Q. On luncheon drinks what is your advice?

A. To my mind, there is never a reason for a luncheon cocktail. There are occasions where a person feels he has to have a cocktail for business reasons or what-have-you. But that should be done as infrequently as possible. Now, with the purchasing group, they're in a unique position. They set the pace. The salesman, many times, I have more patience with. Because he's on the spot. He wants to sell. And if the potential purchaser wants a drink or two, he feels he must go along with it. But the purchasing agent should never have a drink because he doesn't have to.

Q. Maybe he has a moral responsibility. Say he sets the pace. Would you say the P.A. should establish the standard right away?

A. It would be appreciated by the sales group if the purchasing man wouldn't feel that he has to have his drink. When a purchasing man has a drink at lunch, he does it for one reason only—he likes it.



"After the first drink, you're on your own."



"The ideal foods to minimize are the fats."



"There's never a reason for a luncheon cocktail"

How P.A.'s Can Keep Their Health

(Continued from page 13)

Q. Does this admonition about cocktails also include beer?

A. No, we don't look on beer in the same class as a cocktail. It's those martinis before lunch which we want to discourage.

Q. Is this because of the caloric content of them or because of the relaxation which interferes with the afternoon work?

A. Both. The average middle-age man is at normal weight or heavier. He doesn't need the extra calories. And we know that alcohol definitely interferes with the efficiency of mental operation. It adds nothing to it and takes away something. And that's why we discourage it at lunchtime.

Q. If you regard alcohol as a relaxer, do you examine many executives who use either relaxers or tranquilizers?

A. They're used amazingly infrequently. In our recent study of some 6,000 executives we found that only 4% of these used tranquilizers or sedatives in any degree of regularity, that is, twice a week or more.

Q. As long as you get enough sleep, does it make a difference when you get it?

A. It apparently makes little difference. There's nothing to the old dictum of an hour before 12 o'clock is worth two afterwards. It's the amount and soundness of sleep we get that counts. What part of the day is unimportant. We find that many people do far better if they can get an hour of sleep after lunch than if they add that hour to their night's rest.

Q. Are you advocating a siesta in business?

A. A siesta would be a wonderful health procedure, but just slightly impractical in the States.

Q. What are some of the best ways to relax at the end of the work day?

A. Of course, the drink at the end of the day creates an excellent atmosphere for relaxation. We stress, too, the importance of not rushing through dinner. We would discourage stopping off at a bar on the way home—just a "quickie," and then on your way. There's nothing much gained by that. Those who do it have hypnotized themselves into thinking they need it. They think they're so exhausted at the end of the day they have to have a "pick me up". That's all nonsense. Nobody's that tired. The greater part of the benefit of the drink is the pleasant atmosphere—to get home, sit down with the family. We always urge an executive not to have his dinner for at least 20 minutes after he gets home. And during that time to just sip that drink slowly. Then talk over the affairs of the day and let the wife do the talking; let him do the listening.

Q. You recommend this even though a person commutes by bus, subway, or train?

A. It's home. And everything about it tends toward relaxation. That drink just puts the finishing touches to it. Makes it just right.

Q. What about the children? Might not father's arrival be far from relaxing?

A. Yes. But still he wouldn't do without that for anything in the world. He needs and he loves it. Sometimes, you feel like pushing the children away, but really you don't want to. They add a lot to that relaxation just before dinner.

Q. A great number of purchasing agents have hobbies with music as a hobby enjoyed by a great number of them. Do you think music is a good hobby for forgetting worries?

A. There's nothing better. Music is just about the ideal thing as a break, as a change, for relaxing.

Of course, we do miss the physical activity there. If we can combine music with physical activity, we're certainly getting an ideal combination.

Q. If work has to be done outside of office hours, which is the better solution? To stay over or to take the work home?

A. Most of the time, to stay over. Because then, after the work is done, the person has a reasonable length of time before going to bed. If the work is taken home, so many times getting to it is deferred as long as possible; and then it's the last thing that's done before going to bed. Many times sleep is interfered with. There's another disadvantage to taking work home, too. It makes it awfully easy to defer doing a given job. You lay it aside and say you'll do it tonight. And before you know it, everything is going to be done tonight. We discourage the so-called briefcase-itis. It is not a healthful procedure and should be done only when there's no other way out.

Q. If you do have to take something home, is it better to do it in the evening or get up early in the morning to tackle it?

A. Getting up early in the morning, by all means. Again, the evening work interferes with sleep. There's a restlessness for that first hour or two after you turn in when you've been fussing with things from the office up to bedtime. And then you know, too, of course, that that hour in the morning is much more efficient as far as production is concerned. You get much more done one hour earlier in the morning than spending one hour before bedtime on it.

Q. Doctor, is there an easy, practical program for avoiding sicknesses?

A. That's a big assignment. We have our degenerative diseases—our cancers, diabetes, high blood pressure, and so on—but you can't avoid them because you don't know the cause. The communicable disease, we don't see much of anymore. But the cold, of course, is something else, for we know that a cold is a communicable disease.

Q. How can we avoid colds?

A. A very important consideration is to avoid people with colds. If someone in the office has a cold and if you can't isolate him, send him home. It's the most efficient thing you can do rather than spread it around. But there is a relationship between fatigue and resistance to colds.

Q. Are cold pills effective?

A. The effectiveness of cold pills and cold injections has been very questionable. A study done by industrial physicians seems to indicate that they're of relatively little benefit. Yet, people swear by them. They come in year after year for them, and to people who have found through their own experience that they're helpful, we can't say they do not work even though our studies seem to indicate this.

Q. In your years here of examining business men, have you noticed any trends in diseases or health patterns?

A. No, not in diseases. The one thing we're happy about is that the percentage of people who are overweight is steadily dropping. In a study of some 12,000 people 15 years ago we found 29% were more than 10% overweight. That same study repeated last year, with 5,000 executives, showed 15.2% were more than 10% overweight.

Q. Do you find that executives are healthier than other workers?

A. I'd say it's about the same. They certainly are not less healthy. We read and hear so much about the poor executive who is dying, who's being rushed to death and having his ulcers and his coronaries. But none is borne out. The executive is just as healthy as



anyone else. He is no more prone to coronary disease than any other worker.

Q. Should job problems be discussed at home?

A. Well, that depends to a large degree on the person with whom it is discussed. It's hardly fair to expose a wife to the problems of the day when she's in no position to evaluate them. She doesn't have the background. She doesn't understand and hears only his side. Knowing only part of it, it worries her unduly. She is worried because her husband is worried. But on the other hand, there may well be some benefit to the husband from this blowing off. He gets it out of his system. He's got to talk about it and discuss it with someone, and the wife is the logical one. So there probably are some benefits, but it's not all one way. There are some disadvantages too.

Q. In your experience have you found that job pressures affect a person's health?

A. Well, pressure is seldom the cause of trouble. Pressure is a mental or a moral force that drives a person on to a goal, to an objective. Tension arises when the subjective reaction of that person is immature or inadequate. So that it is the tension we are concerned about. It is the subjective reaction to a situation. Most people don't mind hard work, if they like their jobs. And if they resent hard work, they're in the wrong business. It's only when they don't feel equal to it, that it becomes a health problem. Then, we get emotional reaction, we get symptoms of indigestion, distress, headaches, and undue fatigue. So that the question of pressure is not related to health, per se tension is. We've got to realize that jobs are never tense. People are.

Q. Does the problem of mental health represent a problem for the executive group anymore than anybody else?

A. When we think of mental health, we have to divide that into two big groups. The organic mental disease, the psychoses and the psycho-neurosis. They're sick people, and they, of course, need professional care of a psychiatrist. And then the other so-called mental health is a matter of helping a person adjust to situations as they are instead of as they would like them to be. It's a matter of acceptance of the problems of a given job, such as you mentioned before with the purchasing agent who has a job with certain facets that nobody likes. Yet, it's inherent with the job. So they've got to accept it, adjust to it and live with it. And that's our job—to help them do just that.

Q. Is a nervous breakdown caused by organic trouble?

A. It might well be. Many times we do have organic mental diseases. The anxiety, the manic-depressive psychosis where we have recurrences of the depressed state, those fellows are mentally sick; and they need psychiatric help. And that's where most nervous breakdowns occur.

Don't Worry about Retirement. The Only Problems Will Be Money and Health

Q. Do you have any sort of a program to recommend for those facing retirement?

A. We did a study on retirement a few years ago and found that industry may well be creating a problem in the minds of the 60-year-olds by pointing out the possible troubles ahead. Because in our experience there was no trouble! Six months or a year after a person was retired, he was perfectly happy. He was the busiest fellow you ever saw. And 92% of them who had adequate incomes had no interest in going back to their old jobs. We found there were just two essentials to happiness in retirement: health and ade-

quate money to meet living expenses.

This so-called psychological preparation for retirement, in my thinking, is overemphasized. Let the person alone, and he'll take care of his own psychological adjustment to it if he has adequate health and adequate money for his regular needs.

Q. Then, if we can pass any advice along to people who retire, it would have to be to prepare with both adequate income and health?

A. Exactly. Assure them that psychological adjustment will take care of itself. And not to worry about hobbies. Hobbies can never be

created. It's got to be spontaneous. You can't tell a person, "Now, you've got to have a hobby." It just doesn't work that way, it's got to come from within him. He's got to have something he wants to do.

We found from our studies that only 40% of the people had hobbies before retiring yet, one year afterwards over 80% had developed hobbies. The interest was latent there. They never had the time to exercise it. Once they had the time their interests were stimulated. We don't have to worry about the man who's going to retire, except for health and money.

Meetings You May Want to Attend

First Listing

National Association of Purchasing Agents, 9th District—Purchasing Conference, Rhode Island, Oct. 22.

Previously Listed

SEPTEMBER

Society of Automotive Engineers—Farm, Construction and Industrial Machinery, Production Forum and Engineering Display, Milwaukee Auditorium, Milwaukee, Sept. 8-11.

National Chemical Exposition—International Amphitheatre, Chicago, Sept. 9-12.

American Die Casting Institute—Annual Meeting, Edgewater Beach Hotel, Chicago, Sept. 10-11.

National Association of Purchasing Agents, 7th District—Workshop, Atlanta Biltmore Hotel, Atlanta, Ga., Sept. 13.

Instrument Society of America—13th Annual Instrument Automation Conference and Exhibit, Convention Hall, Philadelphia, Sept. 15-19.

National Association of Purchasing Agents, 4th District—Conference, Severin Hotel, Indianapolis, Sept. 18-19.

National Association of Purchasing Agents, 6th District—Get Acquainted Workshop, Mansfield, Ohio, Sept. 19-20.

The Material Handling Institute—Greenbrier Hotel, White Sulphur Springs, W. Va., Sept. 22-24.

Standards Engineers Society—7th Annual Meeting, Benjamin Franklin Hotel, Philadelphia, Sept. 22-24.

American Mining Congress—Mining Show, Civic Auditorium, San Francisco, Sept. 22-25.

Association of Iron and Steel Engineers—Iron and Steel Exposition and Convention, Cleveland Auditorium, Cleveland, Sept. 23-26.

National Association of Purchasing Agents, 1st District—12th Pacific Intermountain Conference, Hotel Utah, Salt Lake City, Sept. 26-27.

National Builders Hardware Exposition—Hotel Sherman, Chicago, Sept. 29-Oct. 1.

American Society of Tool Engineers—Semianual Meeting and Western Tool Show, Shrine Exposition Hall, Los Angeles, Sept. 29-Oct. 3.

Fourth Annual Joint Military Industry Packaging and Handling Symposium—Washington, D. C., Sept. 30-Oct. 2.

Purchasing Agents Association of Baltimore—16th Annual Exhibit, Lord Baltimore Hotel, Sept. 30-Oct. 2.

OCTOBER

Pacific Northwest Public Buyers Association—

Fall Meeting, Victoria, B. C., Oct. 2-3.

National Institute of Governmental Purchasing—13th Annual Conference and Product Exhibit, Hotel Statler, Boston, Oct. 5-8.

National Association of Purchasing Agents, 2nd District—12th Annual Southwest Purchasing Conference, Broadview Hotel, Wichita, Kan., Oct. 8-9.

National Association of Purchasing Agents, 6th District—Purchasing Conference, Sheraton-Mayflower Hotel, Akron, Ohio, Oct. 9-11.

National Association of Purchasing Agents, 7th District—15th Annual Conference, The George Washington Hotel, Jacksonville, Fla., Oct. 12-14.

National Electronics Conference—Hotel Sherman, Chicago, Oct. 13-15.

Packaging Institute—Annual Meeting, Edgewater Beach Hotel, Chicago, Oct. 13-15.

Society of Industrial Packaging and Material Handling Engineers—National Industrial Packaging Handling and Shipping Exposition, Coliseum, Chicago, Oct. 14-16.

Purchasing Agents Association of Central Iowa—Products Show, Veterans Memorial Auditorium, Des Moines, Oct. 15-16.

National Office Management Association—Montreal Business Show, Queen Elizabeth Hotel, Montreal, Oct. 15-18.

National Association of Purchasing Agents, 8th District—Conference, Mark Twain Hotel, Elmira, N. Y., Oct. 16-17.

Conveyor Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 18-21.

Society of Automotive Engineers—National Transportation Meeting, Lord Baltimore Hotel, Baltimore, Oct. 20-24.

National Business Show—Coliseum, New York, Oct. 20-24.

National Safety Council—46th National Safety Congress and Exposition, Chicago, Oct. 20-24.

Petroleum Industry Purchasing Management Seminar—Purchasing Agents Association of Tulsa in conjunction with the University of Tulsa, Western Hill Lodge on Lake Gibson, Wagoner, Okla., Oct. 22-24.

American Institute of Supply Associations—Annual Convention, Roosevelt and Jung Hotels, New Orleans, Oct. 26-29.

American Society for Metals—National Metals Exposition and Congress, Public Auditorium, Cleveland, Oct. 27-31.

NOVEMBER

National Electrical Contractors Association—An-

nual Convention and National Electrical Expositi-
tional Amphitheatre, Chicago, Nov. 16-21.

Instrumentation Conference and Exhibit—Bilt-
more Hotel, Atlanta, Nov. 17-19.

Society of the Plastics Industry—8th National
Plastics Exposition, International Amphitheatre,
Chicago, Nov. 17-21.

9th National Conference on Standards—Hotel
Roosevelt, New York, Nov. 18-20.

National Retail Lumber Dealers Association—5th
Annual Building Products Exposition, Interna-
tional Amphitheatre, Chicago, Nov. 22-25.

1959

FEBRUARY

**Materials Handling in Canadian Industry Exposi-
tion**—The Automotive Building, Exhibition Park,
Toronto, Feb. 2-6.

Society of the Plastics Industry—14th Annual
Technical and Management Conference, Rein-
forced Plastics Division, Edgewater Beach Hotel,
Chicago, Feb. 3-5.

MARCH

**The Lighting, Lamps and Electrical Manufacturers
Salesmen's Association**—2nd National Lighting
Exposition, Coliseum, New York, March 1-4.

List Your Meetings

Associations, societies, and
committees interested in calling
the attention of readers of *Pur-
chasing Week* to their meetings
are welcomed to use this column.
The gathering should be one of
interest to purchasing agents.
There is no charge.

Send announcements to: Meet-
ings Calendar, *Purchasing Week*,
300 West 42 Street, New York
36, N. Y.

Boeing Airplane Co. To Install IBM Ramac

Renton, Wash.—Boeing Airplane Co. will install I.B.M. Ramac equipment in its Transport Division's spare parts section around Sept. 1. The company said it would be able to offer speedier spares service to customer airlines in processing orders for replacement parts for the Boeing 707 and 720 jet transports soon to enter service.

A similar machine is being installed at Boeing's Wichita Division to assist with inventory control of government-furnished equipment. The Seattle Division's Plant 2 will put a third unit to work in a few months to control engineering labor distribution.

Gulf State Utilities Leases 900-Car Fleet

Beaumont, Texas—In line with a trend shown by utility firms to lease automotive equipment rather than owning it outright, Gulf States Utilities Co. sold its 900 cars and trucks to the newly formed Beaumont Car Leasing Corp. and immediately leased them for continued use.

The cars are in various cities served by Gulf States on a 300-mile line from Calvert, Tex., to Baton Rouge, La.

AiResearch Awarded Development Contract

Phoenix, Ariz.—AiResearch Mfg. Division of the Garrett Corp. has been awarded a million dollar development contract by the Convair division of General Dynamics Corp. for component systems on the Atlas intercontinental ballistic missile.

The contract is for design, development and qualification of fuel and oxidizer control systems on board the missile as well as for ground support.

By all means
COMPARE
dial indicator
features...



but use an accurate yardstick!

In comparing dial indicators, be sure that any chart you may be asked to look at includes all essential features properly evaluated.

GEAR HARDNESS Extreme hardness, particularly if it results in brittleness, is undesirable. The Starrett standard for gearing has an ideal combination of hardness and toughness to prevent pivot breakage.

RUSTPROOF Of major importance is the material from which gears, pinions, racks and spindles are made. In Starrett indicators, stainless steel is used to make the entire unit rustproof.

JEWEL BEARINGS Bronze bearings are good but jeweled bearings are better for superior sensitivity and low friction. All Starrett dial indicators are available with either jeweled or plain (inserted bronze) bearings.

REMOVABLE BEARINGS Not only are bearings removable, but in Starrett dial indicators the entire gear mechanism is interchangeable, making Starretts the simplest and easiest to maintain.

SHOCKPROOF All regular models available with NONSHOCK mechanism. For less severe applications,

models without NONSHOCK mechanism but with bronze or jeweled bearings are available at lower cost.

SIMPLE CONSTRUCTION Simple, interchangeable unit construction means fewer repair parts to stock, less maintenance time and lower upkeep cost plus longer, more accurate life for all your indicators. The entire gear mechanism is identical and interchangeable in all Starrett No. 25, No. 655 and No. 656 regular and NONSHOCK models.

BACK DESIGN Starrett indicator backs have four screws and four screw holes to prevent rocking and to permit positioning the lug at each 90°.

Your Industrial Supply Distributor will gladly demonstrate these and many more superior features of Starrett Dial Indicators... or send for new Starrett Dial Indicator Catalog. Use the coupon.

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—Booth 2546, National Metal Show

most potent
gasoline
antioxidant

UOP #5-S INHIBITOR

Provides absolute protection from gum formation and TEL decomposition in stored gasoline. Gives one-fourth to three-fourths faster oxidation of malodorous mercaptans. Most economical, too. Five molecules of UOP #5-S protect and sweeten a million molecules of gasoline. Available in 55-gallon drums and tank truck or car.

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inhibitors are labeled "UOP".



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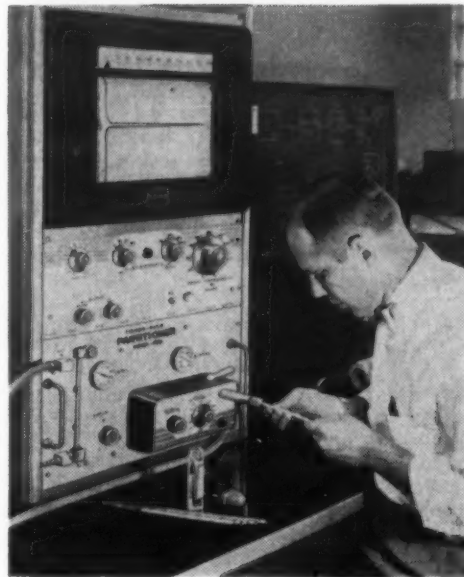
Precision Grinding Team

Speeds Production Grinding

Selection Automatic Chuck Control and Power-Grip Magnetic Chuck matched units provide variable holding power and a "demag" cycle that completely eliminates all residual magnetism. Even the thinnest and most fragile work pieces may be easily removed from the chuck without distortion.

Price: \$315 (Selectron Model 100); \$254 (6x18 in.), \$307 (6x24 in.), \$335 (8x24 in.), \$510 (10x30 in.) magnetic chuck. Delivery: immediate.

DoALL Co., 256 North Laurel Ave., Des Plaines, Ill. (8/25/58)



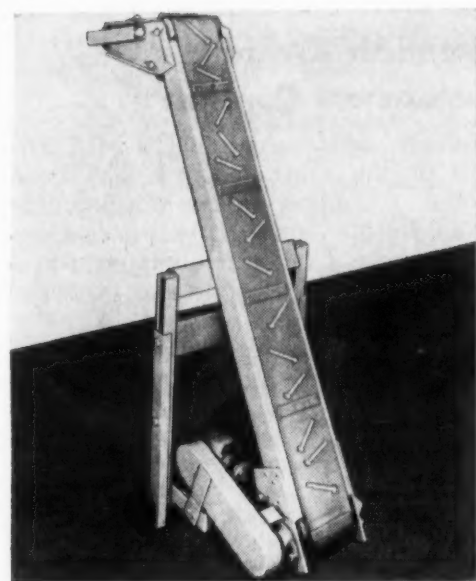
Gas Chromatograph

For High and Low Temperatures

Model 300 Partitioner gas chromatography instrument makes separations at column temperatures as low as 0 and as high as 300C. Chromatographic column of Model 300 is enclosed in its own thermostated air bath. A selector dial gives a choice of 9 automatically maintained working temperatures. A "flash" evaporator makes it possible to analyze even higher-boiling materials up to 425C. Transistorized power supply for the detector cell makes it possible to use optimum current.

Price: \$3,750. Delivery: immediate.

Fisher Scientific Co., 389 Fisher Bldg., Pittsburgh 19, Pa. (8/25/58)



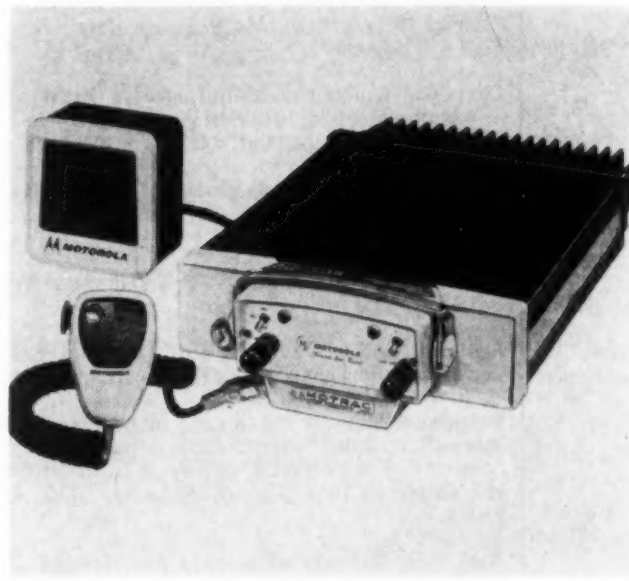
Magnetic Conveyors

Handle Ferrous Parts

Magnabelt magnetic conveyors handle ferrous parts through steep inclines. Light weight conveyors are of aluminum construction. Space saving conveyor is easy to roll into place to magnetically move nails, bolts, stampings, and other ferrous parts up inclines as high as 90 deg. Goose-neck extension deposits parts into container and permits removal of containers from front or either side. Permanent magnets in Magnabelt are non electric and operate wet or dry.

Price: from \$614 (for 4-ft. model). Delivery: 3 wk.

M-H Standard Corp., 515 Communipaw Ave., Jersey City 4, N. J. (8/25/58)



Mobile Radio

Only 3-In. High

Motrac radio has completely transistorized receiver and power supply and a partially transistorized transmitter. Radio provides 25 w. power output in the higher band and 30 or 50 w. in the lower band. Receiver has an audio output of 5 w. Radio makes use of modular construction.

Price: about \$850. Delivery: about 5 mo.

Motorola, Inc., 4545 W. Augusta Blvd., Chicago 51, Ill. (8/25/58)



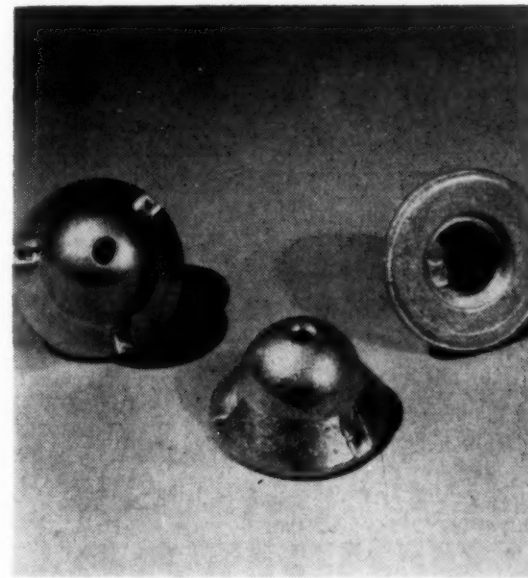
Recording Instrument

Weights Only 5½ Lb.

Key-Noter can be converted from non-indexing to an indexed machine in a few minutes. Press the "C" key for correction and automatically a perforation is punched on index strip. Press "QR" key for quick review of dictation while instrument remains set in the dictating position.

Price: \$289.50. Delivery: immediate.

Gray Mfg. Co., Arbor St. & Capitol Ave., Hartford, Conn. (8/25/58)



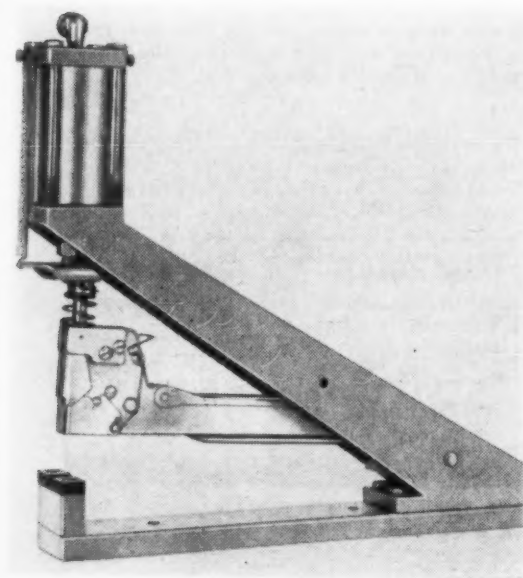
Die Cast Cap Nuts

Tamper Proof

One-piece die cast zinc alloy cap nut can be removed from an axle only with a special wrench. Base of cap nut is designed with a wide washer type configuration having three notched recesses to accommodate the special wrench. Wide washer base eliminates need for a separate washer. Sides of cap nut are sharply tapered from base to top.

Price: \$29.90 net. per M. (for quantities of 50,000 to 99,000). Delivery: immediate.

Gries Reproducer Corp., 400 Beechwood Ave., New Rochelle, N. Y. (8/25/58)



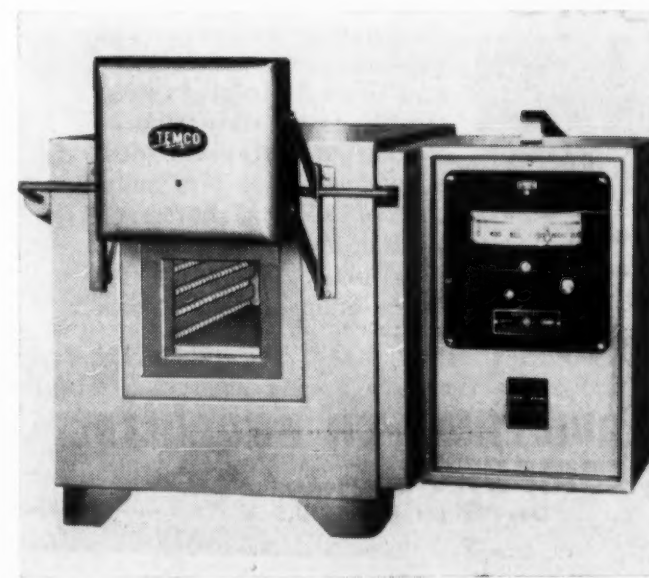
Deep Throat Bench Stapler

Reaches Beyond 11 In.

Deep Throat bench stapler has the ability to reach over distances up to 11 in. To compensate for increased leverage of the longer reach, air power on the unit has been increased. Staplers utilize a single-unit frame which is mass-produced without a stapling head. Six different heads are available for tacking and five heads are available for stapling operations. Units operate on 80 to 110 lb. air pressure.

Price: about \$120. Delivery: 10 days.

Fastener Corp., 3702 River Rd., Franklin Park, Ill. (8/25/58)



High-Heat Furnaces

No Waste Space

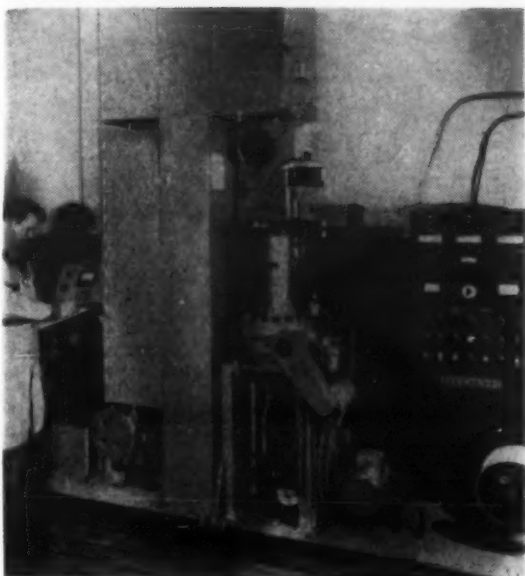
Type 1900 Temco furnaces may be purchased with or without controls. Units are cased in a substantial welded and reinforced steel shell. Fully 4½ in. of fire-brick and back-up insulation encases heating chamber and provides optimum insulating values for efficient use of power.

Price: \$195 to \$215. Delivery: immediate.

Thermo Electric Mfg. Co., 628 Huff St., Dubuque, Iowa (8/25/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Extruding Machine

Produces Teflon-Insulated Wire

TE-1A Teflon extruding machine increases processing quality and gives added production flexibility. Unit handles wire through triplepass vaporizing and sintering ovens to increase extrusion speed threefold without adding to oven length. Should wire break, restringing is a minor job because saddles on each sheave prevent wire from dropping. Die head positions itself in perfect alignment.

Price: \$22,500. Delivery: immediate.

Jennings Machine Corp., 3452-A Ludlow St., Philadelphia 4, Pa. (8/25/58)



Steel Filing Cabinet

Holds Up to 4,500 Tapes

Steel filing cabinet eliminates the possibility of permanent wrinkles, folds and loops, in punched teletype tapes while being retained for re-use or storage. Cabinet is fitted with thirty drawer inserts, ten in each of three sections. Each drawer insert of the punched tape cabinet is fitted with 150 tapered pins, 1/4 in. in dia. so tapes may be tightly rolled before being filed.

Price: about \$275 (with base). Delivery: 45 to 60 days.

Republic Steel Corp., Berger Div., 1038 Belden Ave., N. E. Canton 5, Ohio (8/25/58)



Testing Instrument

Locates Defects in Materials

Magnatest ED-500 crack detector and sorting instrument locates and determines the relative seriousness of defects in all conductive materials. It also quickly sorts mixed lots of ferrous and non-ferrous metals for differences in hardness, alloy, and heat treat condition. It measures the thickness of certain conductive and non-conductive coatings.

Price: \$810 fob. Chicago (complete). Delivery: 4 wk.

Magnaflux Corp., 7300 W. Lawrence Ave., Chicago 31, Ill. (8/25/58)



Silicon Rectifier

Is Small in Size

Type 329 silicon rectifier is for all types of power applications. Unit provides average forward currents up to 160 amp. per cell in single-phase circuits or average currents up to 150 amp. per cell in three-phase circuits with maximum peak inverse ratings up to 500 v.

Price: from \$10.20 (1 to 49) to \$6 (max. quantity) lowest voltage units; from \$52.50 (1 to 49) to \$35 (max. quantity) for highest rated 500 v. unit. Delivery: immediate.

Westinghouse Electric Corp., P. O. Box 2099, Pittsburgh 30, Pa. (8/25/58)

Oil Testing Kit

Measures Harmful Contaminants

Simplex oil testing kit is a tool used for small preventive maintenance of diesel, gas, or gasoline engines. By quickly and simply analyzing the used engine oils, the condition of the engine is easily determined as well as the condition of the oil. Oil testing kit was developed to quickly and accurately measure the three most harmful contaminants in used engine oil; solids, corrosive acids, and fuel dilution which cause excessive engine wear. Oil test kit contains the necessary equipment to allow non-technical personnel to make quick determinations of the amount of harmful contaminants in used engine oils.

Within minutes, operator can determine if oil in engine is still in satisfactory condition or if it contains excessive solids, dilution, or corrosive acids. Fill "test oil" jar with a sample of used engine oil. Fill the "standard dilution" jar with a sample of the new oil plus a predetermined quantity of the fuel, equipment provided. (For example 5%). Lower the "viscosity comparator" into the jars and withdraw. Observe the flow of oil through the orifices in the two cups. If the oil from the cup containing the used engine oil stops flowing first, it is excessively diluted (over 5%).

Price: \$85 (complete kit containing necessary equipment and materials for about 35 tests). Delivery: immediate.

Lengor, Towns-Worth Bldg. Annapolis, Md. (8/25/58)



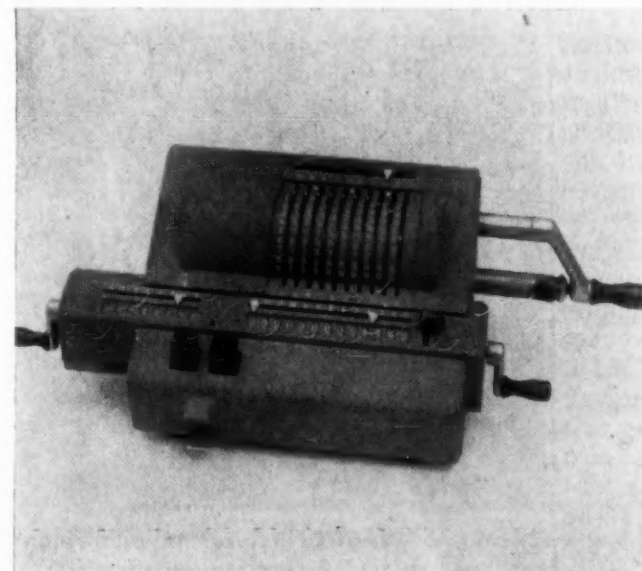
Soldering Rod

For Soldering Aluminum

Airco 720 Al-Solder rod is designed for use in a range of joining and filling applications. Rod provides a good color match and is clean to use. It requires no flux, no washing, and no wire brushing. Pre-cleaning and post cleaning are unnecessary. It is applicable for joining mitered aluminum window or door sections, for filling porous aluminum castings, for joining aluminum air ducts, and for soldering galvanized ducts.

Price: 80¢ a lb. in quantities of 500 lb. (10 lb. package), 75¢ a lb. for 500 lb. (50 lb. package). Delivery: immediate.

Air Reduction Sales Co., 150 East 42nd St., New York 17, N. Y. (8/25/58)



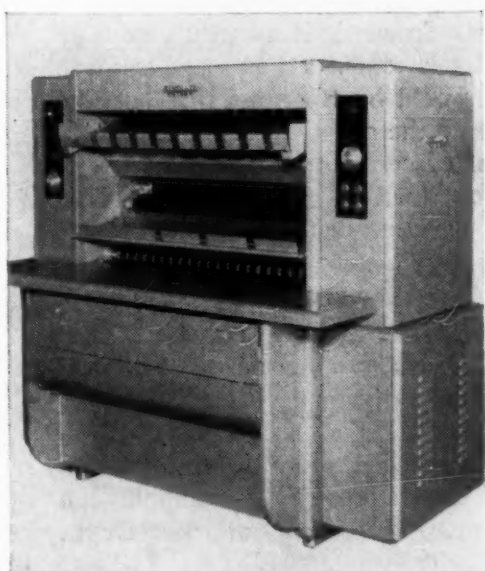
Calculator

Hand Operated

Model 227 portable calculator is designed for simplicity and ease of operation. Model performs all calculating functions such as simultaneous multiplication and square root computation. Unit is equipped with a 10-lever setting board, 13-digit result register, and 8-digit proof register.

Price: \$99. Delivery: immediate.

Facit, Inc., 404 Fourth Ave., New York 16, N. Y. (8/25/58)



High Speed Whiteprinters

With Separate Feeding Belts

Automatic whiteprinting machines have either a 100 or 150 w. lamp and speeds up to 75 ft. per min. Models feature a revised cooling system which assures low cylinder temperatures. They have an adjustable tracing tray, electronic drive, and an air-knife pickoff. No scrapers come in contact with the 6 in. glass cylinder. Machine's construction assures full development in a minimum of space. Machines feature a high/low lamp control and reversing switch.

Price: from \$4,550 to \$8,300. Delivery: 3 to 4 wk.

Paragon-Revolute Corp., 77 South Ave., Rochester 4, N. Y. (8/25/58)

Product Perspective

AUGUST 25-31

Reliability (P.W. July 21, page 18) is rearing its troublesome head in still another area—tolerances of moving parts. Buyers of components having moving parts are orienting their thinking toward tighter tolerances as one of the ways they can improve product reliability. They figure the better parts fit, the better their chances of getting a long-lived component.

One thing that is involved in this trend is gaging techniques. You should take them into consideration when you analyze a vendor's capability. They are the techniques manufacturers are using to measure and control the accuracy of the parts they make. Besides reliability, better gaging techniques have two by-products of considerable value. Rejects and scrap losses can be cut. And so can inspection and quality-control time. Those were some of the things discussed at a Federal Products Corp. gaging seminar.

A large part of the burden of ensuring tighter tolerances falls on the gage makers. The tolerances involved range on the one hand from the few ten thousands specified for most consumer products to the millionths asked for by missile and special equipment manufacturers.

The gage makers see no end to tighter and tighter tolerances. As soon as they and the machine builders come up with equipment to meet the new tolerances, they're faced with a demand for still closer tolerances by users worried about product reliability.

There is at least one approach to improving gaging techniques shaping up among makers of parts for consumer goods. More gaging is being done right on the production machine, especially on center-type, centerless, and internal grinding machines. There's reason enough for this move: studies show the further away from the machine you put gaging facilities, the higher it cost and the more rejects you have.

So gaging is integrated with the machine to check each part as it is produced. Several types of gages can be used—air, air-operated, or electronic. Any one of them can be set up to either signal the operator that tolerance limits are being approached or exceeded, or make automatic adjustments to the machine.

Some of the gains reported for this system are worth looking into:

- Lower cost for part produced.
- Less labor required.
- Higher production.
- No separate inspection facilities needed.
- There's less variation in part sizes.

Incidentally, new emphasis on reliability offers purchasing executive's a challenging area of value analysis. Reliability must be economical. Procurement of new gaging devices for a buyer's company is an added cost of manufacturing. But this is often only a higher initial cost. These tools result in greater efficiency which pays off in the manufacturing cycle. Savings are made in less waste, scrap, and rework.

Other cost reduction factors the purchasing executive must consider in his value analysis are less inspection, reduced machine downtime for frequent checking, and cost of replacements. It is obvious that buyers must sit down with design, manufacturing, and quality control engineers to assure management the benefits of their steady hands on the economics of reliability. Reliability can be both a challenge and an opportunity for purchasing executives.

One machine tool builder has responded to the challenge posed by ceramic cutting tools. To get the most out of ceramics, high speed, high powered, rigid machines are needed (P.W. June 9, page 19).

R. K. LeBlond Machine Tool Co. has designed a lathe specially for using ceramic tools with these things in mind. Here are some of the lathe's features:

- A 150-hp. variable speed dc. motor is directly coupled to the spindle. Speed ranges from 250 to 5,000 rpm. and work speed can range as high as 18,000 surface ft. per min. Conventional gearing (from motor to spindle) cannot arrive at speeds that high.

- High speeds dictated over-size bearings. Lube-oil temperature is thermostatically controlled.

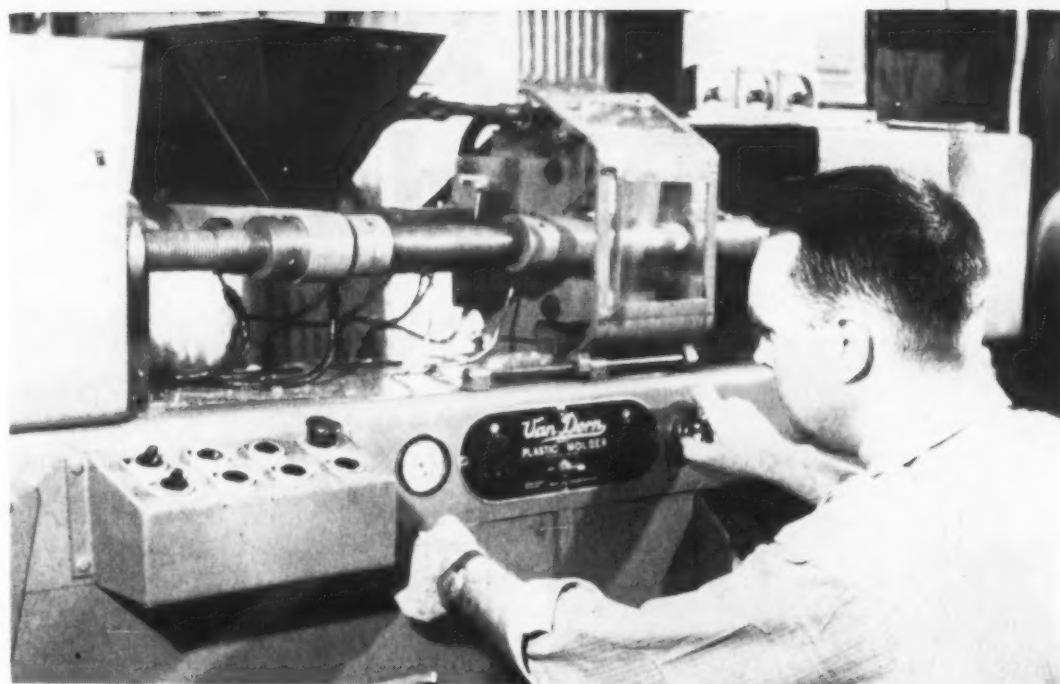
- Vibration is a problem at high speeds. So work is rough turned on another lathe before finish turning with ceramic tools.

- Instead of conventional chucks, work is held by two pins that act like a lathe dog. The pins fit into holes drilled into the squared end of the work.

While the LeBlond lathe makes the most of ceramic cutting tools, other cutting materials are coming. It would look, then, as though the machine tool builders are in for a continuing period of re-evaluating their designs.

Russian technical translations will soon be much easier to obtain. Office of Technical Services is gearing itself to sell abstracts of about 140 technical journals on an annual subscription basis or individually. Other Russian documents will be sold individually.

A list of available documents will be published monthly in the U.S. Government Research Report. A list of translations now available can be obtained free from the Office of Technical Services, Commerce Dept., Washington 25, D.C.



PRODUCT TESTING, an important part of qualifying new plastic molding compounds for the market, is carried on by technician using laboratory's injection molding machine.

Companies Sponsor Special Programs In Research, Engineering, Production

Programs to extend special research, engineering, and production skills and facilities are now offered by several industrial companies. To keep up with the competitive pace, industrial suppliers must strive to shorten the time lag between the initial formulation of a new product or material and its complete acceptance for manufacturing usage.

This need led to the development of laboratories in such firms. The laboratory acts both as a watchdog over manufacturing techniques to see that the products the company sells are made to specifications and also as a pilot plant to solve problems that the buyer may face in the application of the product. Centered on expanded research and development, the new programs co-ordinate laboratories for "project" research and development to expedite solutions to customer cost and performance requirements.

At Catalin Corp. of America—from the test tube stage to the pilot stage—there is a close liaison with the purchasing agent and the personnel of the plant ordering the product. A large part of Catalin's business consists of synthetic resins and chemicals which were commercially untried and untested until a few years ago. Control laboratories in each plant now work around the clock to test for the quality of their respective products and, incidentally, to spot possible difficulties that might take place during performance in the buyer's plant.

Here are a few examples of complaints Catalin received years ago before it installed the present system of laboratories: A plywood customer was using adhesive resins and all physical properties of the resin were okayed before the material left the Catalin plant. However, in a few days, during the shipping process, the chemical characteristics of the material changed, and the adhesive wasn't satisfactory when it was used by the customer.

Today, however, the laboratories have estimated the change of such materials during shipping. The control laboratory keeps a sample of everything that is sent to the customer; so in the event there is any discussion of the condition of the material, the Catalin plant has an actual sample right on hand.

Another example is the case of an important customer who was using water-soluble resins as binders for installation material, etc. Water tolerance is very important in this type of material, and it often changes during shipment. One case did change, but today not only is this material checked before shipping but also a sample of each batch is sent to the control laboratory where it is stored. The plant manager can also estimate, with the new laboratory equipment that Catalin

has installed, the condition in which the product will arrive at the customer's plant.

Before the laboratory was set up, complaints from customers were not unusual, but today they are virtually negligible.

U. S. Gauge recently installed test facilities to study vibration effects on aircraft and missile instruments. These are believed to be among the most advanced of their type in the country. Its design engineers can now "test fly" their developmental models under carefully controlled laboratory conditions. They can analyze the specific effects of severe vibration conditions and develop designs which withstand them.

U. S. Gauge designers point out that performance specifications for newer aircraft have become increasingly severe as a result of the natural trend toward increased power to weight ratios. Instruments designed to withstand vibration amplitudes of 5G's at frequencies up to 55 c.p.s. must be completely redesigned to perform satisfactorily when subjected to vibrations of higher amplitude and frequency.

Quaker Rubber Division recently completed enlarging and modernizing its laboratory facilities as part of a long range research and development program. It makes all standard tests of finished goods necessary to meet customer specifications, plus many others required in the development of new products.

A similar program has been announced by Auto-Lite Co.'s Group Vice President R. E. Valk. Initial contact for this new service will be made by an increased General Products Group sales force giving the group multi-product representation in all parts of the country.



CHEMICAL REACTIONS prior to pilot plant runs are studied by laboratory chemist.

Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

Labor. By Neil W. Chamberlain. Published by McGraw-Hill Book Co., 330 West 42nd St., New York 36, N. Y. 625 pages. Price: \$7.00.

Any purchasing agent operating in a unionized plant will find this new, definitive work on labor in the United States of immense value. For both as a member of the management team, and as an operating executive, the purchasing agent is constantly faced with union problems and their influence on his firm's operations.

But Dr. Chamberlain has gone beyond the scope of the broad effects of labor, and delved into specific areas of the labor-business relationship. Assuming a bit of economic sophistication on the part of the reader, the author makes a full analysis of union influence on the wage-price relations. His conclusion that "unions probably are passive agents in upward price movements in times of strong demand," will certainly stir up a bit of controversy in the minds of many purchasing executives.

Other sections of this excellent study cover the influence that organized labor has on a multitude of factors in every industrial organization.

Dr. Chamberlain's book serves as a basic information source to unions in today's business world. It's profitable reading for just about any business executive.

"Purchasing Agent's Guide to Better Business Forms and Systems" is title of new booklet. The various forms that are essential to the purchasing function of modern business are discussed. Illustrated forms have a brief description of factors that make a form efficient. Booklet can be obtained by writing **The Baltimore Business Forms Co., Systems Dept., Baltimore 29, Md.**

How the user will save time and money by ordering fittings and flanges which are produced to close dimensional tolerances is the subject of new bulletin, No. FB-504. Engineers, purchasing agents, and others responsible for the procurement of seamless welding fittings and forged steel flanges will benefit by the information contained in the bulletin. Copies are available from **Babcock & Wilcox Co., Tubular Products Div., Beaver Falls, Pa.**

A new price sheet, No. 230A for No. 23 catalog, covering all items available from Red Devil Tools, is ready for distribution. Notice of new unit pricing and pre-paid freight policy are contained in the sheet. Price list can be obtained by writing **Red Devil Tools, Union, N. J.**

Hand tool buying guide, 156-pages, for purchasing agents, engineers, production and maintenance officials is available. Users of power-driven nut runners and impact wrenches will find this book a handy order guide to answer every socket need. Every type, every size is tabulated with important dimensions and specifications listed clearly. Copies can be obtained by writing to **Snap-On Tools Corp., 8028-28th Ave., Kenosha, Wis.**

"Helpful Hints" is title of 16-page booklet containing technical facts to help users obtain maximum economy and performance in application of standard fasteners. A section is devoted to selection of tapping screws; charts show safe load curves and torque curves for various diameters and grades of bolts. Copies are available from **Russell, Burdall & Ward Bolt & Nut Co., 101 Midland Ave., Port Chester, N. Y.**

Steel tubing buyer's guide, No. 12-10 is available. It features simplified selection chart which provides data such as characteristics, size range, response to fabrication, and relative cost of seamless and welded, mechanical and structural, carbon steel tubing. Condensed information is also given on stainless steel and aluminum tubing and pipe, and plastic pipe. Copies can be obtained from **Joseph T. Ryerson & Son, Inc., Box 8000-A, Chicago 80, Ill.**

"Polyethylene Creates New Opportunities in Packaging" is title of 16-page booklet. It describes the use of polyethylene in coatings, films, and moldings, and shows specific applications where each of these forms is proving valuable today. It also explains how polyethylene can help to reduce packaging, stimulate greater sales, etc. Booklet is available from **U. S. Industrial Chemicals Co., 99 Park Ave., New York 16, N. Y.**

Cabinet air conditioners are described in 20-page booklet, No. 2900. It contains complete construction details, selection data, arrangement diagrams, and capacity information on seven new units. Copies can be obtained by writing to **Ilg Electric Ventilating Co., 2850 N. Pulaski Road, Chicago 41, Ill.**

Three-way tool-crib control system built around Kolect-A-Matic files is said to eliminate the "lost tool" problem. This system is described in a new four-page folder entitled, "Simplify Tool Crib Operations." The folder, No. KD-844, can be obtained by writing **Remington Rand Div., Sperry Rand Corp., 315 4th Ave., New York 10, N. Y.**

Multi-Zone Air Conditioner Units are described in 8-page bulletin, No. 870. It describes features of the Multi-Zone as Penta-Post frame construction, enclosure panels, blower wheels and housings, etc. A nominal capacity table is given, which indicates usual basic unit cooling and heating capacities at conventional operating conditions. It also contains drawings of the unit, with accessories and arrangements. Copies are available from **Dept., PD, American Air Filter Co., Inc., 215 Central Ave., Louisville 8, Ky.**

The Record to Date	
Readers' requests	142
Staff answered	118
Published in P.W.	24
Answered by readers	15
Unanswered	9

Rockwell Orders Up 25% in July

Pittsburgh—Rockwell Manufacturing Co. power tool orders for July reversed a seasonal trend of many years standing by running approximately 25% ahead of June figures, according to F. P. Maxwell, vice president, Power Tool Division.

"Normally," Maxwell said, "we anticipate an order fall-off of about 20% from June to July because of the vacation season. Orders in July also exceeded those for July 1957," he added, pointing out that this is the first month in 1958 in which order intake has matched that of the corresponding month last year.

He attributed the sharp unseasonal upswing partly to renewed confidence in the business outlook by the construction industry and by industry as a whole—and partly to the increased urgency of demand for additional school workshop facilities to accommodate the increasing flood of new students of junior high and high school age.

"The 25% order increase registered by Rockwell's Power Tool Division in the past month compares," he said, "with a 7% rise by the machine tool industry generally."

Fast Aircraft Titanium Announced by Titanium

New York—Titanium Metals Corp. of America has announced a new titanium sheet which can withstand extreme heat and stress encountered by aircraft flying 2,100 mph.

The company said initial shipments from the Toronto, Ohio, plant have been made to West Coast researchers who are working on fighters and bombers with a speed three times faster than sound scheduled for 1960 production.

The metal, which can resist pressures of more than 100 tons a sq. in., according to the company, is produced by a new method. It is heated in a special furnace to 1,600 degrees with a quick jolt of electricity and then quickly quenched with hundreds of gallons of water. The sheet alloy consists of titanium, 4% aluminum, 3% molybdenum, and 1% vanadium.

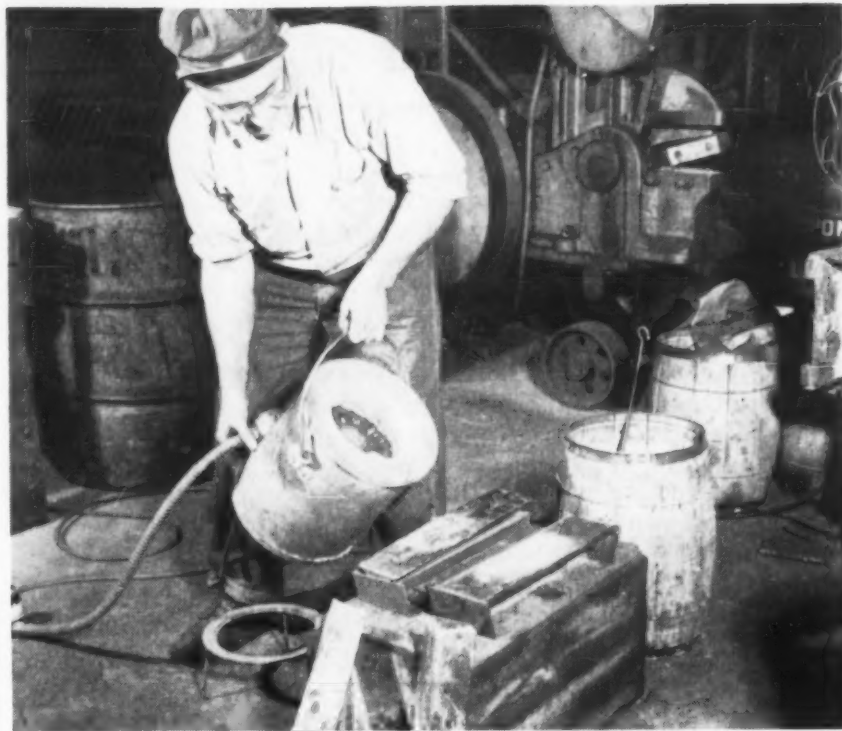
American Air Filter Co. Expanding Facilities 50%

Louisville, Ky.—American Air Filter Co., Inc.'s Herman Nelson Division, Moline, Ill., is scheduled for a \$750,000 plant expansion increasing the present facilities by 50%. A new crane, capable of handling up to 4,500 tons of sheet steel a year will be added.

The plant fabricates and assembles school classroom unit ventilators and school air conditioning equipment.

Island Equipment Moves

Hialeah, Fla.—Island Equipment Corp. has moved its general office and factory here from Long Island City, N. Y., although it is maintaining a New York regional sales office there. The new building contains 15,000 sq. ft. of manufacturing space.



Melted Scrap Is Prepared for Reuse . . .



Loose Metal Is Compacted into Bricks in . . .

Scrap Recovery Program Saving Money for Pontiac Division, G.M.

Detroit—Scrap recovery is saving money for the Pontiac Division of General Motors Corp. In 1957 the division got \$4 million for the scrap and discarded equipment which it sold.

Run on Scientific Basis

Pontiac runs its scrap collection business on a scientific basis, employing over 3,000 ft. of underground conveyors, machines that compress metal into bales and brickettes, and a large building that serves as the center for piling and compiling all residue that results from manufacturing. In earlier times sundry scrap materials such as iron, steel, wood, cloth, or plastic might have been considered a loss, these now mean extra cash.

The salvage business at Pontiac starts in the machining areas and in the sheet metal plant where giant presses stamp out such items as hoods, fenders, and wheel suspension parts.

Underneath the sheet metal plant are long catacomb-like corridors. Trim pieces from the presses are diverted into this network of concrete tunnels and transported by conveyor to the central collection station. There the material is automatically compressed into heavy bales and dumped into rail cars for shipment to the purchaser.

Finding a highly profitable so-

lution to this scrap problem, Pontiac salvage experts handle sales of scrap through bids to recognized and legitimate scrap dealers. Some big dealers may reject the smaller assorted parts where local dealers will snap them up. Used machinery also is handled through bids, first offered to the original manufacturer.

Certain Scrap Required

As grey iron formulas require a certain amount of scrap, some of Pontiac's salvage metal is returned to a nearby foundry furnaces where it is utilized profitably in the casting of Pontiac's engine blocks, heads, and other car parts.

Some of the metal is recleaned, melted, and poured into molds for reuse by the maintenance department.

Steel and iron shavings are never combined but are collected on separate conveyor systems and stored in separate areas after being compressed into smaller brickettes of approximately 125 lb. to improve handling and shipping. Other scrap metals are treated in this manner.

Lumber is also salvaged although there is no market for the reclaimed wood. Nails are removed, and the lumber is cleaned for reuse. About 1,000 board ft. of lumber is reclaimed daily through the recovery program.

In the World of Sales

William A. Simonds, abrasive engineer for Norton Co. in Texas, has been reassigned to the western Massachusetts area. **Robert C. Divoll**, formerly of the Pittsburgh area, succeeds Simonds in Dallas.

Robert O. Bjorn and **Fred S. Kobos** have been appointed sales engineers by Capewell Mfg. Co. Bjorn has been assigned to the Chicago area and Kobos will cover Wisconsin and Minnesota.

Richard V. Hinman has been promoted from assistant eastern sales manager to eastern sales manager by American Mineral Spirits Co., New York.

Charles W. Scott has joined Midland Screw Corp., Los Angeles, as western sales manager. Scott had been vice president of Rockford Screw products of California.

Joseph T. Miller, Jr. has been made manager of bearing sales for Hoover Ball & Bearing Co., Ann Arbor, Mich.

C. Christy Jones succeeds **R. B. Whidden**, who retired after 42 years service, as product sales manager of extruded shapes and tubing for Aluminum Co. of America, Pittsburgh.

Fremont Fisher has taken the post of general sales manager for The Electric Auto-Lite Co.'s electrical products group, Toledo. Fisher had been vice president and director of sales for Fort Worth Steel & Machinery Co., Fort Worth, Tex.

Donald R. Spatz has been advanced to vice president in charge of sales for Pesco Products Division and Wooster Division, Borg-Warner Corp.

George M. Howser has been named manager of aluminum sales, Rolled Steel Corp., Skokie, Ill.

Reuel H. Smither has joined Waugh Engineering Co., Van Nuys, Calif., as general sales manager. He was formerly with Minneapolis-Honeywell Regulator Co.

Duane R. Branaka has been appointed sales manager of Valvair Corp. He was formerly with Warner Electric Brake and Clutch Co. as Detroit district sales manager.

John Spaulding has joined Skill Corp., Chicago, as president. He had been with The Black & Decker Mfg. Co., Towson, Md., 33 years and served as vice president-sales the last four years.

Colby Dill, Jr. has been assigned to the Philadelphia-Baltimore - Richmond - Washington, D.C. area as a sales representative for Colton Chemical Co., a division of Air Reduction Co.

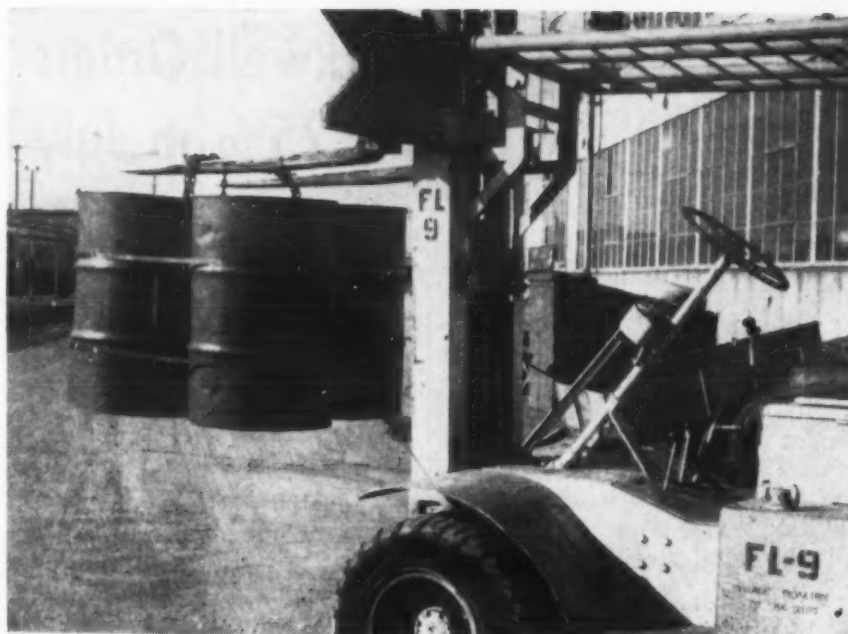
Derek Richardson has been made vice president of aluminum sales, Metals Division, Olin Mathieson Chemical Corp., New York.

J. M. Tinnon, sales manager of Air Reduction Chemical Co., a division of Air Reduction Co., Inc., New York, has been promoted to vice president in charge of sales and new product development activities.

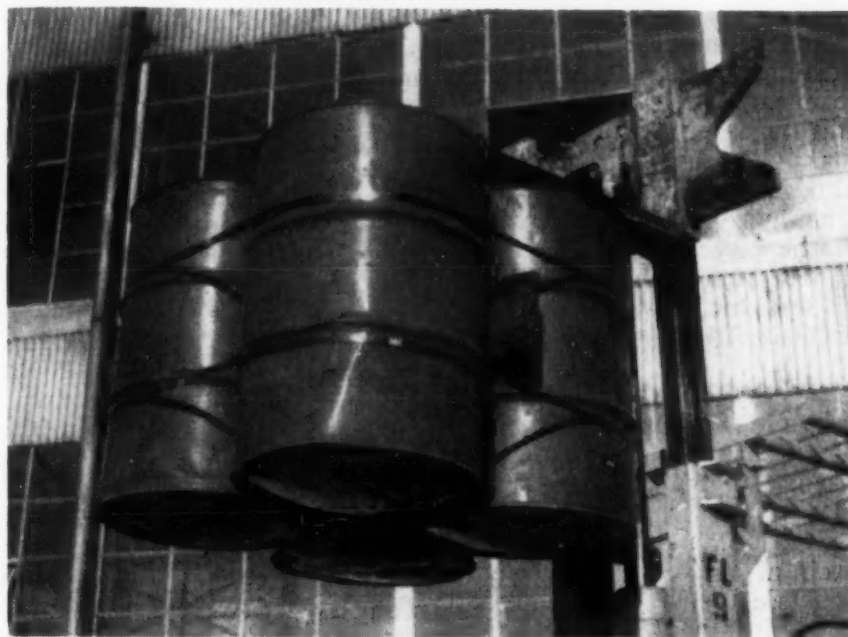
James D. Quirk has been named a sales engineer in the St. Louis area by The Capewell Mfg. Co.

John H. Hartleb has been appointed a field engineer at Norton Co.'s Los Angeles district office.

Henry DeRose has taken the post of sales manager, Commercial Products Division, Servo Corp. of America, New Hyde Park, N. Y. He had been general sales manager of the Infra-Electronics Division of Thos. A. Edison Co., Roseland, N. J.



Simple Way to Handle 4 Steel Drums . . .



Is to Fasten Them Together as Shown.

Western Pacific Railroad Saves on New Way of Handling Steel Drums

San Francisco—The Western Pacific Railroad Co. has discovered that very simple equipment can often replace more expensive ones in materials handling problems.

The road is now saving money by handling four standard 55 gal. drums with two small pieces of rough lumber, steel strapping, and strap seals instead of wooden pallets.

The unit is formed by putting four drums together, separated in pairs by two pieces of lumber. One piece of lumber is placed between the swedges, the other between the bottom chime of the drum and the bottom swedge.

The drums then are bound with two steel bands, one just above the top swedge, and the other just below the bottom swedge.

Lifting is done by chain sling or simple hook arrangement. The chain may be placed over the top of the forks of any standard fork-lift truck, crane, or other lifting device, then brought down and under the top piece of lumber, which serves as a lifting beam. An alternative method is to use a piece of "I"-beam and hooks from scrap metal across the top of forks instead of chain sling.

Western Pacific has been testing the method on shipments and says it is highly successful.

Taylor Fibre Co. Adds Size to Plastic Tube

Norristown, Pa.—Taylor Fibre Co. has extended the size range of its rolled laminated-plastic tubes by reducing the minimum inside diameter of 0.05 in. Maximum inside diameter for rolled tubing is 36 in. Taylor's previous minimum inside diameter was 0.125 in.

The new size range, the company reports, is particularly suited for miniaturization in the electrical and electronic fields including terminal insulators, contact pins, and parts for transistors, rectifiers, diodes, and resistor tubes.

Freight Service Added

San Francisco—Hawaiian Textron, Inc. will expand its freight

service between the San Francisco Bay area and Hawaii. Starting Aug. 29, the S. S. Indian Bear will join the S. S. Lanikai on the 21-day turn-around run calling at Eastbay, San Francisco, Stockton and Honolulu. The ships also will carry passengers.

Air Reduction Breaks Ground for Plant

New York—Air Reduction Sales Co., division of Air Reduction Co., Inc., announced the ground breaking for a new oxygen and nitrogen production plant in Kansas City, Kans.

The plant will have a monthly capacity of 5 million cu. ft. of oxygen, and plans call for completion by December. The company will transfer its operations at Kansas City, Mo. to the new plant when completed.

Gas Installations Set At San Carlos, Calif.

New York—General Dynamics Corp.'s Liquid Carbonic Division dedicated two new industrial gas installations Aug. 14 in Oakland and San Carlos, Calif. worth more than \$2.5 million.

The Oakland plant will produce oxygen, nitrogen, and argon and the San Carlos plant will produce hydrogen. These installations raise the division's capital investments in the area to more than \$6 million.

Hoover Marks 50 Years

Canton, Ohio—The Hoover Co. appliance firm celebrated its 50th anniversary by announcing a \$2 million factory would be built here. Construction will start next month with completion scheduled for the summer of 1959.

PURCHASING WEEK ADVERTISING STAFF

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Hoffa Power Heckles Many

(Continued from page 1)
deliveries to and from the area. The two-week-old dispute was the latest example of the widespread impact the Teamsters can have on business over an entire region and even the entire country (See following story).

• The A.F.L.-C.I.O. Executive Council, assembled in Pennsylvania's Pocono Mountains, ordered its affiliated unions to cancel all formal and informal alliances with the exiled Teamsters, or face suspension by the labor federation.

Hoffa's 'Good Luck'

• The House vote which shelved the Senate-passed Kennedy-Ives Labor Reform Bill last week prompted one of its sponsors, Senator John F. Kennedy of Mass., to deplore: "Only Jimmy Hoffa can rejoice at his continued good luck." The bill, while opposed by several major employer organizations as well as labor groups, could have put Hoffa out of business, its principal backers believed.

• The McClellan Rackets Committee, undaunted by its failure so far to tie definite illegal acts to Hoffa, is continuing to build a record it hopes will eventually topple him as boss of the union.

• In New York and around the country, a campaign by rank-and-file Teamsters is reportedly underway, aimed at unseating Hoffa and some of his top lieutenants. The plan is to put charges of irregularities before the special three-man board of monitors, set up last January by U. S. Federal Judge F. Dickinson Letts, to settle the lawsuit in which 13 Teamster members tried to keep Hoffa from taking over the Teamster presidency.

• The monitors, armed with evidence turned up in the last few weeks of the McClellan committee hearings that Hoffa has done virtually nothing to clean criminals out of the union in the past year, are taking steps to force a clean up. They may ask Judge Letts to remove Hoffa as president should Hoffa fail to go along with their demands.

Federals Step In To Mediate Strike

San Francisco—The Federal Mediation and Conciliation Service stepped into the West Coast Teamster-Trucker dispute last week. But as government-arranged conferences got underway, spokesmen on both sides doubted that an early settlement could be reached to end the 11-state tie-up which began Aug. 11. Peace parleys, set up by three federal mediators, were scheduled to begin last Wednesday in San Diego.

The San Diego talks were expected to center around the question of whether local pick-up and delivery contracts will be patterned after the 11-state long-haul contract. Employers claim Teamster negotiators agreed to follow the long-haul pattern (a 30¢ wage hike over three years) in local contracts; but the Teamsters insist on additional benefits in local contracts, including a cost-of-living clause.



JIM HOFFA YAWNS . . . RUBS HIS EYES . . . SLUMPS IN REPOSE.

HO HUM! James R. Hoffa, boss of the Teamsters Union, waits to testify before recent hearing of the Senate Rackets Committee. A dominant figure in labor, Hoffa didn't appear to be perturbed.

Teamsters Aren't Only Truck Drivers, Union Has Many Other Members

New York—The Teamster power, known to almost every businessman, is founded on three pillars:

1. In a strike, organization of all kinds of truck drivers gives it a stranglehold on commerce, with hardly a business, from a General Motors plant to a local merchant, able to carry on for long if it can't be reached by truck.

2. Teamster cooperation with other unions in a given community or area makes other picket lines much more effective. If the Teamsters keep supplying a plant, it has a chance to operate on a reduced basis. If it doesn't, the plant may have to shut down.

3. Relative autonomy of locals and regions means employers can get it two ways: In day-to-day operations, local Teamster chiefs are almost completely free of control from the top; but if they need help, there are huge resources of money and cooperation available.

Up to now, despite efforts at centralization by such powers as Hoffa himself and his predecessor Dave Beck, operations of the Teamsters have largely been run by Teamster vice-presidents. Its operations have resembled more those of a loose alliance of feudal baronies than the workings of centrally-run unions, like Walter Reuther's United Auto Workers or John L. Lewis' United Mine Workers.

Independence, of course, has always characterized the internal operations of the Teamsters. It hasn't changed much since the early days, even though the union today is the biggest in the world, claiming a total membership in excess of 1.5 million.

Of these, the largest block are truck drivers, about a third of the total. Another quarter of the membership performs warehouseman activities. But the central union headquarters has no exact count of its members, nor any accurate break down by categories, such as how many drivers, inside workers, etc.

Teamsters Union Has 16 Divisions

Far from limiting its activities to truckers, the union's jurisdictional claims are broad enough to admit virtually any employee the union wants to. It has 16 different divisions which include, besides the over-the-road drivers and warehousemen, such divisions as automotive, petroleum, and allied trades; bakery drivers; brewery and soft drink workers; building materials and construction drivers; cannery workers; chauffeurs and taxi drivers; dairy; federal, state, municipal and public service division; fresh produce and vegetable drivers; laundry, linen and dry cleaning drivers; news truck drivers, circulation employees, studio, film, theatrical, radio, television, and sound truck chauffeurs.

In many of these divisions, the Teamsters has organized workers who are not behind the wheel of a truck. It has even organized production line workers in some instances.

The Teamsters' sweeping jurisdictional claims have resulted in countless disputes with other

unions trying to organize the same workers. But the teamsters, because of its strategic position in handling the flow of goods and its strength, has pretty much won its objectives.

Partly because of its broad jurisdictional claims and the diversity of jobs performed by its members, the union has almost 900 locals spread around the country. Pockets of power often build up around the biggest locals. Above the locals are 46 joint councils, groupings of locals in a large city or in a particular area.

Below the international, and many say, the real center of power in the Teamsters, are four area conferences which split up the U. S. and Canada into western, central, eastern and southern groupings of locals and councils.

International's 13-man executive board, made up of vice-presidents, secretary-treasurer, and the general president, actually derives its power from "back home" influence and support from locals and regional or conference units. As each member is, to varying degrees, a power in his own right and area, it is no easy task for a general president to crack heads.

Area-Wide Bargaining Is Union Goal

The conferences have taken on increased importance as Teamster leaders have begun to press hard for expanding the area-wide concept of bargaining with employers. Traditionally, the union has tried to bargain on a multi-employer basis, getting all employers in an area to agree to the same basic wages and hours.

This has been a highly successful organizing tactic for the Teamsters. Hoffa is driving to expand the use of area-wide contracts to cover more employers by areas, states or whole industries. His goal, eventually, is bargaining on a nation-wide basis, thus forcing more uniformity on wages and working conditions. (And, of course, building the power of the top-echelon leaders at the expense of local or regional men.)

Teamster organizing is often rough and ready. As truck drivers can pretty much control inflow-outflow of goods at a plant or store, Teamster picketing is effective. For the same reason, Teamster cooperation many times is the difference between success or failure in organizing attempts by other unions. Hence, there is the almost irresistible urge among many unions often too weak themselves to achieve their goals to line up with the Teamsters.

The Teamsters is a union which, while never accused of being strike-happy, has never been afraid to use its tremendous power. Its members today have higher wages than many other skilled workers. For example, in 1955, annual earnings per employee in highway freight trucking and warehousing were \$5,130; for manufacturing industries the same figure was \$4,351. The West Coast strike-lockout was the result of efforts by the Sacramento Joint Council to achieve a wage boost from \$2.25 an hour to a base of \$2.45 to \$2.72 an hour.

Among the many legal problems facing the

Teamsters is the fate of so-called "hot cargo" clauses, common in most Teamster contracts with employers. The clause frees Teamsters from hauling "hot" goods, any cargo which comes to or from a struck plant or which the union thinks is unfair. The Teamsters have used this weapon in their own fights as well as in cooperating with other unions which are on strike.

Now, however, the Supreme Court has ruled that while a union may legally sign such a contract with an employer, the union violates the secondary boycott ban in the Taft-Hartley Law if it directly "induces" the employees not to handle goods under the contract.

As long as the union deals with the employer only and he goes along with a request to honor the "hot cargo" clause, the union is in the clear. Hoffa and the Teamsters plan to go right ahead and continue signing "hot cargo" contracts. The union will experiment to find ways of alerting members to a hot cargo situation without committing acts which the National Labor Relations Board and the courts can find amount to inducement. The prospect is for much more litigation over the "hot cargo" kind of labor dispute.

Hoffa Not Yet on Skids

Despite all the pressure being brought to bear against him, Jimmy Hoffa is not yet on the skids. The ultimatum from the A. F. L.-C. I. O., demanding member unions shun agreements with Hoffa or drop those already signed will tend to shut Hoffa off and crimp his newly-launched scheme for a grand alliance of all transportation unions.

But Hoffa, short of being forced out by court order or new evidence turned up by the McClellan Committee, probably will be able to keep some A. F. L.-C. I. O. friends notably Joseph Curran, president of the National Maritime Union.

Long-time labor observers speculated last week Curran's will be one of the few unions to defy A. F. L.-C. I. O. President George Meany's crackdown on alliances with Hoffa and may even pull out of the Federation. That would leave Hoffa with the Maritime Union and the International Longshoremen's Association, already expelled as corrupt by the A. F. L.-C. I. O., to build his planned transportation empire. Hoffa and Curran have their eyes on a coordinated organizing drive on the East Coast and the St. Lawrence Seaway.

Chemical Unions Plan Consolidation Move

Cleveland—Two chemical industry unions—the Oil, Chemical, and Atomic Workers and the International Chemical Workers—appear headed for merger.

Executives of the two groups met in Cleveland to set up a merger time table which will be submitted to rank and file members in September and October. Consolidation of the two unions has long been regarded as a possibility because only about 30% of chemical industry workers so far have been unionized. The O.C.A.W. (originally a C.I.O. affiliate) has about 175,000 members and the I.C.W.U. (an A.F.L. affiliate) about 85,000 members, but both have approximately equal representation in the chemical field.

Purchasing Perspective

AUG. 25-31

(Continued from page 1)

Recent surveys show that obsolescence is increasing. Companies with outmoded plant and equipment will be handicapped in efforts to ride the incoming business tide.

Stamping industry business is reported spotty now—but watch out. Shops have had designs prepared and tools ready for months but can't spring releases loose from customers. Some stampers say that if orders should start coming in suddenly there could be long production delays because of shop jams. No sign of this to date, however.

Steel nuts and bolts sales are picking up. Metal fastener producers report general demand has been rising month-by-month since spring. Also due for a rise are fastener prices. Decision should come this week. Steel price increases and higher labor costs are the key factors.

Manufacturers of farm products expect increase business as a result of the new farm bill passed by Congress last week (see farm story, page 1). Reason for optimism on part of fertilizer, insecticide and some equipment producers is anticipated increased crop acreage and greater production.

Relief rather than complaint has been the apparent reaction of steel customers to the late July price increases. Most ordering plans went unspoiled. Steel operating rates are rising steadily with only possibility of an auto strike clouding an even brighter potential for September and the fourth quarter.

"Our customers don't tell us so, but we think they are surprised and pleased that the increases were so small," one major steel executive told PURCHASING WEEK. Little or no customer criticism has been heard.

The steel warehouse price picture still is in the process of stabilization. Indications last week were that the major warehouse increases were due on smaller orders where labor costs hit hardest in handling, paperwork, shipping, and other services. Small orders are a big factor in warehouse business. The average individual sale of steel from warehouses last year amounted to only \$112.

Salesmen 'Pound Books' at Rutgers

(Continued from page 1)

trated course of advanced study is being taught by university professors and business leaders. The sessions are designed to get across the latest techniques of selling in a buyers' market.

Although the subjects being covered include financial analysis, sales forecasting, sales psychology, and similar material, the one given the most emphasis is selling to the purchasing executive.

One of the instructors centering his attention on the P.A. is Harold L. Cramer, manager of Westinghouse Electric Corp.'s agency and construction sales department. During one session, he told his "student" executives:

"The customer is on the proverbial pedestal in these days of a buyer's market. And probably the most misunderstood, the most controversial person in the customer's organization is the purchasing agent.

"The importance of the purchasing executive is getting even greater emphasis when you realize that today he is a member of the management team in a growing number of our corporations. He is an informed, skillful specialist in the purchase of supplies and services, as well as a key factor in the exercise of inventory and quality control.

"In a typical manufacturing company," Cramer added, "he has the responsibility for spending about 50% or more of the

company's gross sales billed, and anyone who controls that operation is an important factor in management."

He and other instructors who scrutinized the P.A. and his job emphasized the use of the "maximum value concept" by the purchasing executive. They pointed out that the major elements of this concept are price, net applied cost, quality, material availability, and supplier development ability.

Cramer summed up one of his lectures by saying that "there seems to be no question in these modern times, that a smooth, effective working relation with purchasing people is vital, if we are to be successful in our sales efforts. Good relationships and good communications will be mutually profitable."

The attending sales executives spent six days a week in classes and group conferences running from 8 a.m. to 9 p.m.

"There is no doubt in my mind and in the minds of those attending this course," commented S. L. Goldsmith, executive director of N.S.E., "that the hours spent here will help the sales manager bring his knowledge and skills to maximum efficiency.

"By critically reviewing sound principles of selling and continually challenging himself, the sales executive becomes a better and more capable professional consultant for the purchasing executive."

P.W. Gets Moscow Man To Improve Coverage

New York—The McGraw-Hill Publishing Co. has announced the opening of a Moscow news bureau which will provide PURCHASING WEEK readers with first hand, direct accounts of industrial developments in Russia.

William Coughlin, chief of the London bureau of McGraw-Hill World News since 1955, has been accredited by Soviet authorities to head the Moscow office. The McGraw-Hill office in Moscow's Metropole Hotel is believed to be the only news bureau operated by a U.S. magazine publishing firm in Russia at present.

West Eases Embargo of Reds

(Continued from page 1)

on East-West Trade (COCOM), the 15-nation Western trade control group, published a new shortened embargo list on Aug. 15. This moved toward freeing Communist markets which European exporters—particularly the British—have been eyeing hungrily.

The list of items totally banned for reasons of their war-making potential was reduced from 190 to 120. The surveillance or "watch" list was cut from 67 to 35. The quota list was dropped altogether.

Among major classifications eased were petroleum, ships, aircraft, rubber, copper, aluminum, machine tools, electrical equipment and motor vehicles. On the other hand, curbs were tightened on some key products and additions were made, particularly in the electronics field where new products have been produced since the last review of strategic trade some three years ago.

COCOM's international list, which was worked over for a year and a half, is secret. Member nations may impose their own controls above and beyond the international minimum control list but may not go further in relaxing curbs.

The United States has traditionally called for much tighter controls than those in the international list. But reports now are that the Commerce Department may significantly ease bans and curbs on its much bigger secret list of some 922 specific items.

U. S. List Will Be Tightest

However, the U. S. list will definitely continue to be tighter than either COCOM's or those of other member nations. The British list will be the closest to the COCOM list—that is, the most liberal.

In London, the reaction to COCOM's move was strongly favorable. Sir David Eccles, president of the Board of Trade, called the new list "very satisfactory." He said it had been "cut to the bone" of items with genuine strategic significance and predicted it would remain unchanged indefinitely.

The London Times called the new list a "tardy victory for common sense" over the "obstinate and largely emotional objections of the United States."

There were some areas where the U. S. still refused to budge. It will not lift its total embargo on all shipments to Red China, North Korea, and North Vietnam.

Farm Bill Offers Aid to Industries; Textiles and Meat Among Gainers

(Continued from page 1)

a smashing triumph for Agriculture Secretary Ezra Taft Benson who argued ever since taking office that the only lasting solution lay in lower prices and more output, which is just what Congress now orders. The triumph may be brief, however; Benson is sure to be the target of renewed attacks next year.

Here's what the new law does for cotton:

Price supports were permissible in the old law from 75% to 90% of parity. The new law gives individual cotton producers a choice. They can cling to the low-output allotment system and get 80% of parity next year, (about 30.84¢ per lb.) with supports declining to 65% of parity in 1962. Or they can plant more cotton and go to the 65% sup-

port level next year (about 25.06¢ per lb.).

How much more cotton is likely to be planted under the new law is hotly disputed among growers and in the textile industry, but an explosive increase is at least theoretically possible.

More Acres Allotted

This year, 11.9-million acres of cotton were in cultivation July 1. The new bill sets a national allotment basis of 16.3 million acres. On top of this 16.3 million acres, the Secretary is allowed to offer the 65% support level to any producer who does not go more than 40% over his individual allotment. He could set the permitted overplanting less than 40% if he likes, but is expected to go all the way at least the first year.

Trucker, R.R. Ask 'Through Rate'

(Continued from page 1)

but it differs from ordinary piggyback service in these respects:

• C. F. will be able to handle freight destined for or coming from Rock Island territory where C. F. has no operating rights, and Rock Island will do the same. This is not a case of a motor carrier using rail for part of the trip between two motor carrier points.

• Joint truck-rail rather than motor carrier rates will apply. However, they will be the same as motor carrier rates in the area.

• C. F. and Rock Island will divide the revenue, as two trucking firms do when they cooperate on a shipment. Rock Island also will pay rent for truck trailers used on its line. Under typical piggyback arrangement, the motor carrier pays the railroad for its service and there's no division of revenue.

The new service will start Sept. 12. It will link 50 points in C. F.'s territory, including Fargo, Bismark, Madison, St. Paul, Minneapolis, Milwaukee, and Chicago, with 22 in Rock Island's territory, including Houston, Galveston, Ft. Worth, Memphis, Little Rock, Des Moines, St. Joseph, Peoria, Moline, Oklahoma City, and Minneapolis-St. Paul. Tariffs were filed in 12 states—North Dakota, Wisconsin, Texas, Tennessee, Oklahoma, Missouri, Nebraska, Iowa, Minnesota, Illinois, Arkansas, and Kansas.

Shippers will get a single bill—from the originating carrier.

Freight Forwarders Ask Action on Volume Rates

New York—The Freight Forwarders Traffic Bureau has asked the Interstate Commerce Commission for a quick ruling on new proposed volume rates.

The Bureau urged the I.C.C. to allow a number of truck-level freight rates to become effective immediately, asserting that quick action would allow forwarders to aid shippers presently strike-bound on the West Coast where truck lines in 11 states have been idle since Aug. 11.

The I.C.C. recently suspended a number of rates which the for-

warders asked to become effective Aug. 13. These rates were in addition to volume rates previously published and approved by the I.C.C. Freight forwarders stressed this week that the suspension in no way affected transcontinental piggyback operations.

District 5 Planning Aid For College Courses

(Continued from page 1)

delphia, Reading, Scranton, and Wilmington.

Dalton A. Cook, local association president, said the workshop was aimed to "promote the purchasing profession" and to "educate purchasing agents on how to do a better job."

The workshop was conducted by Paisley Boney of J. P. Stevens Co., Greensboro, N. C., the 5th District's public relations chairman, and Walter Prichard of Emerson Research Laboratories, Washington, D. C., the education chairman.

Harold Berry of the Rock Island Railroad, Chicago, N.A.-P.A.'s national chairman for education; Nelson J. Gibbons of Motor Wheel Corp., Lansing, Mich., N.A.P.A.'s national chairman for public relations; and Jack Brandamore of General Electric Co., Scranton, Pa., 5th District vice president, addressed the group.

Georgia to Make Paint; Buying Controversy Ends

(Continued from page 1)

called for new bids after recent disclosure that he had accepted a bid for centerline paint from a firm in the restaurant supply business (P.W., Aug. 11, p. 1). But at the last minute the Governor stepped in to end the controversy over the actions of Shaw, his political appointee.

"I am a private enterprise man usually," Griffin said, "but I'm tired of hearing about this paint business."

Georgia buys about 100,000 gal. of white and 40,000 gal. of yellow centerline paint annually for the state highway department. Shaw estimated he could save about \$1 a gallon on yellow and about 75¢ on white by using prison labor. The state is currently paying \$3.85 a gal. for yellow beaded paint and \$2.54 for white beaded.

Congress Acts On Tax Relief

Businessmen Given Aid To Reduce Burdens

(Continued from page 1)
regarding sale and purchase of securities, methods making it easier to secure retroactive tax refunds, permission for corporations with ten or fewer stockholders to be taxed as partnership and partnerships, and proprietorships to be taxed as corporations, and easing of the rules for taxing corporations off a straight income tax basis.

•Excise changes: An overhaul of many excise laws strengthens and clarifies language in present statutes. Also included are many lower excise rates, some higher ones, exemption of state and local government from payment of manufacturing excises, clarification of excises on luggage and jewelry, elimination of the tax on the first \$1 of admission tickets and easing of procedures for securing refunds and exemptions on many excises.

Presidential Approval Likely

President Eisenhower was certain to give his approval to the new legislation which was on his desk at mid-week awaiting signature.

The tax package approved this week is theoretically in line with the no-tax-cut agreement between the White House and Congress since it makes no really major slashes in rates. But it does give a small tax break to a very large conglomeration of taxpayers. In fact, there's almost "something for everybody" in the new bill.

Limited Machinery Writeoffs

The one change that will benefit the largest number of businessmen is the provision allowing faster depreciation writeoffs for tax purposes on a limited amount of new machinery and equipment. Under it, you can get a new first year deduction amounting to 20% of the cost of certain capital equipment purchases.

Here's how it works for an item of equipment costing \$10,000 with an estimated salvage value of \$500 at the end of its 20-year tax life.

For the first year, you can begin by deducting 20% of \$10,000—that is, \$2,000, as allowed under the new provision. In addition, you then apply the depreciation provisions of the 1954 tax law to the remaining \$8,000. Thus your first year tax return, to the \$2,000 deduction you can add \$375 if you use straight line depreciation, \$800 if you use declining balance, or \$714 if you use sum-of-the-digits.

The remaining 19 years are figured as though the first cost were \$8,000.

Deduction Limited

This new deduction is limited to purchases up to \$10,000 annually, or \$20,000 in the case of a joint husband-wife return; it would save taxpayers an estimated \$175 million the first year. Furthermore, it would apply only to operating machinery and other "tangible" property, not to buildings and inventories, which have a useful life of six years or more and were purchased after Dec. 31, 1957.

Two other small business tax revisions were approved. One provision costing \$50 million would allow any loss up to \$25,000 a year to be carried back three years instead of two as at present for purposes of securing tax refunds. The other permits estate taxes to be paid over a 10-year period, instead of 15 months, if the estate consists mainly of investments in a closely-held corporation.

The hundreds of so-called technical tax revisions provide heavier tax burdens in some cases, lighter in other. To the taxpayers involved, many of the changes can run to substantial sums.

Prices Jump in August, N.A.P.A. Says

New York—Price increases triggered by the Middle East crisis and the basic metal industries dramatically highlighted August business activity, the N.A.P.A. Business Survey Committee reported today.

The "dramatic change in commodity prices," abruptly ending a year-long downward trend, was a startling development in the monthly report, the group said. The committee stated "over-all they are having to pay more for materials they are buying"—mainly because of basic metal price boosts.

The report indicated P.A.'s believe "business recovery is proceeding slowly, with no great upward surge anticipated in the immediate period." Threat of an auto strike, plus uncertainty as to public acceptance of new models, "has tempered some business enthusiasm," the N.A.P.A. committee members indicated in their report.

But, the N.A.P.A. report quickly added, conditions are improving and committee members continue to report better production and new order figures. Reports of improvement in those

areas were the highest since the summer of 1955. 45% said production was up, 40% the same, and only 15% worse; 48% noted higher new order bookings, 41% said no change, and only 11% had reductions in production.

Commenting on inventories, the N.A.P.A. committee said there were some indications that inventory liquidation was nearing an end but purchasing executives were "still reluctant to abandon their tight inventory control." The majority of committee members, 57%, reported no change from last month, 30% told of reductions, and only 13% said they added to stocks on hand.



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